

SERFF Tracking Number:	AGNY-125447872	State:	Arkansas
First Filing Company:	American International South Insurance Company, ...	State Tracking Number:	EFT \$50
Company Tracking Number:	AIC-08-MP-01		
TOI:	05.0 Commercial Multi-Peril - Liability & Non-Liability	Sub-TOI:	05.0000 CMP Sub-TOI Combinations
Product Name:	Financial Institutions Risk Protector		
Project Name/Number:	Financial Institutions Risk Protector/AIC-08-EO-01		

## Filing at a Glance

Companies: American International South Insurance Company, National Union Fire Insurance Company of Pittsburgh, Pa.

Product Name: Financial Institutions Risk Protector	SERFF Tr Num: AGNY-125447872	State: Arkansas
TOI: 05.0 Commercial Multi-Peril - Liability & Non-Liability	SERFF Status: Closed	State Tr Num: EFT \$50
Sub-TOI: 05.0000 CMP Sub-TOI Combinations	Co Tr Num: AIC-08-MP-01	State Status: Fees verified and received
Filing Type: Form	Co Status:	Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding
	Author: Monique Myers	Disposition Date: 02/28/2008
	Date Submitted: 02/06/2008	Disposition Status: Approved
Effective Date Requested (New): 03/10/2008		Effective Date (New): 03/10/2008
Effective Date Requested (Renewal): 03/10/2008		Effective Date (Renewal): 03/10/2008

State Filing Description:

## General Information

Project Name: Financial Institutions Risk Protector	Status of Filing in Domicile: Pending
Project Number: AIC-08-EO-01	Domicile Status Comments: Pending in all states
Reference Organization: N/A	Reference Number: N/A
Reference Title: N/A	Advisory Org. Circular: N/A
Filing Status Changed: 02/28/2008	
State Status Changed: 02/19/2008	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	

<i>SERFF Tracking Number:</i>	<i>AGNY-125447872</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>American International South Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>AIC-08-MP-01</i>		
<i>TOI:</i>	<i>05.0 Commercial Multi-Peril - Liability &amp; Non- Liability</i>	<i>Sub-TOI:</i>	<i>05.0000 CMP Sub-TOI Combinations</i>
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<i>Project Name/Number:</i>	<i>Financial Institutions Risk Protector/AIC-08-EO-01</i>		

The above-referenced companies have on file with your department their Financial Institutions Risk Protectorsm. This program is being modified to add a D&O Coverage Section for public companies, along with a number of additional endorsements. As a result, changes are also being made to the Declarations Page, General Terms and Conditions, D&O Coverage Section for private companies and the Fiduciary Liability Coverage Section.

Please refer to the attached Forms Listing and redlines for information about the forms included in this submission.

Please note that the State Amendatory Endorsements currently on file with your department will be used to bring the new coverage section in compliance with your state's regulations. This filing was previous filed under our filing number AIC-07-EO-02.

## Company and Contact

### Filing Contact Information

Monique Myers, Filings Analyst	Monique.Myers@AIG.com
175 Water Street	(212) 458-6346 [Phone]
New York, NY 10038	(212) 458-7077[FAX]

### Filing Company Information

American International South Insurance Company	CoCode: 40258	State of Domicile: Pennsylvania
70 Pine Street	Group Code:	Company Type:
New York, NY 10270	Group Name:	State ID Number:
(212) 770-7000 ext. [Phone]	FEIN Number: 02-6008643	
	-----	
National Union Fire Insurance Company of Pittsburgh, Pa.	CoCode: 19445	State of Domicile: Pennsylvania
70 Pine Street	Group Code:	Company Type:
New York, NY 10270	Group Name:	State ID Number:
(212) 770-7000 ext. [Phone]	FEIN Number: 25-0687550	
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## Filing Fees

Fee Required? Yes  
Fee Amount: \$50.00  
Retaliatory? No  
Fee Explanation: \$50.00 per Form Filing  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American International South Insurance Company	\$50.00	02/06/2008	17844766
National Union Fire Insurance Company of Pittsburgh, Pa.	\$0.00	02/06/2008	

## Correspondence Summary

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	02/28/2008	02/28/2008

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## Disposition

Disposition Date: 02/28/2008  
Effective Date (New): 03/10/2008  
Effective Date (Renewal): 03/10/2008  
Status: Approved  
Comment:

Rate data does NOT apply to filing.

### Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Form	Declarations	Approved	Yes
Form	General Terms and Conditions	Approved	Yes
Form	D&O Coverage Section (Private)	Approved	Yes
Form	D&O Coverage Section (Public)	Approved	Yes
Form	FLI Coverage Section	Approved	Yes
Form	Application	Approved	Yes
Form	Bankers Professional Liability Supplemental Application	Approved	Yes
Form	Coverage Section Anti-Stacking Endorsement	Approved	Yes
Form	Two Year Policy Period Endorsement	Approved	Yes
Form	Appendix Do Pub-1 (Crisis Management Insurance)	Approved	Yes
Form	Bankruptcy/Insolvency/Creditors Exclusion (D&O Coverage Section)	Approved	Yes
Form	Bankruptcy Trustee, Receiver, Liquidator or Rehabilitator Exclusion (D&O Coverage Section)	Approved	Yes
Form	Commissions Exclusions (D&O Coverage Section)	Approved	Yes
Form	Failure To Effect and/or Maintain Insurance (Defense Costs Carve-Back) Exclusion (D&O Coverage Section)	Approved	Yes
Form	Failure To Effect and/or Maintain Insurance Exclusion (D&O Coverage Section)	Approved	Yes
Form	Known Wrongful Act Exclusion (D&O Coverage Section)	Approved	Yes
Form	Loans Exclusion (D&O Coverage Section)	Approved	Yes
Form	Major Shareholder Exclusion (D&O Coverage Section)	Approved	Yes

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<b>Form</b>	Panel Counsel Firm List Amended (Securities Panel) (D&O Coverage Section)	Approved	Yes
<b>Form</b>	Pending and Prior Litigation and Known Wrongful Acts Exclusion for Excess Limits (D&O Coverage Section)	Approved	Yes
<b>Form</b>	Pending and Prior Litigation Exclusion for Excess Limits (D&O Coverage Section)	Approved	Yes
<b>Form</b>	Prior Acts Exclusion (Backdated) (D&O Coverage Section)	Approved	Yes
<b>Form</b>	Prior Acts Exclusion for Excess Coverage (D&O Coverage Section)	Approved	Yes
<b>Form</b>	Professional Errors & Omissions Exclusion (With Securities Claim Carve-Out) (D&O Coverage Section)	Approved	Yes
<b>Form</b>	Captive Insurance Company Exclusion	Approved	Yes
<b>Form</b>	Commissions Exclusions	Approved	Yes
<b>Form</b>	Contingency Fees Exclusion	Approved	Yes
<b>Form</b>	Securitization Endorsement	Approved	Yes
<b>Form</b>	Severability of the Application Endorsement (Full Individual Severability; Top 3 Company Positions Imputed To Company; Non-Rescindable	Approved	Yes
<b>Form</b>	Third Party Coverage Amended With Redlining Exclusion (Discrimination and Continuity Date)	Approved	Yes
<b>Form</b>	Third Party Coverage Deleted	Approved	Yes
<b>Form</b>	Failure to Effect and/or Maintain Insurance (Defense Costs Carve-Back) Exclusion (FLI Coverage Section)	Approved	Yes
<b>Form</b>	Failure to Effect and/or Maintain Insurance Exclusion (FLI Coverage Section)	Approved	Yes
<b>Form</b>	Insurance Broker/Agent Endorsement (BPL Coverage Section)	Approved	Yes

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<b>Form</b>	Investor Protection Endorsement (BPL Coverage Section)	Approved	Yes
<b>Form</b>	Lending Act Extension With Separate Retention (BPL Coverage Section)	Approved	Yes
<b>Form</b>	Loan Servicing Owned By The Insured Endorsement (BPL Coverage Section)	Approved	Yes
<b>Form</b>	Predatory Lending Exclusion	Approved	Yes
<b>Form</b>	Arkansas Cancellation/Non-Renewal Amendatory Endorsement	Approved	Yes



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## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Declarations	93851	08/07	Declaration Replaced s/Schedule	Replaced Form #:0.00 93851 (12/06) Previous Filing #: AIC-07-EO-02		93851 (8-07) - FIRP Declarations - ADMITTED. pdf
Approved	General Terms and Conditions	93852	08/07	Policy/CoveReplaced rage Form	Replaced Form #:0.00 93852 (12-06) Previous Filing #: AIC-07-EO-02		93852 (8-07) - FIRP GTC - ADMITTED4 .pdf
Approved	D&O Coverage Section (Private)	93853	08/07	Policy/CoveReplaced rage Form	Replaced Form #:0.00 93853 (12/06) Previous Filing #: AIC-07-EO-02		93853 (8-07) - FIRP Private DO Coverage Section.pdf
Approved	D&O Coverage Section (Public)	95368	08/07	Policy/CoveNew rage Form		0.00	95368 (8-07) - FIRP Public DO Coverage Section (Admitted).p df
Approved	FLI Coverage Section	93856	08/07	Policy/CoveReplaced rage Form	Replaced Form #:0.00 93856 (12/06) Previous Filing #: AIC-07-EO-02		93856 (8-07) - FIRP FLI Coverage Section - ADMITTED. pdf
Approved	Application	93861	01/08	Application/ Replaced Binder/Enro	Replaced Form #:0.00 93861 (12/06)		93861 (1-08) - FIRP

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				Ilment	Previous Filing #:	Application.p
					AIC-07-EO-02	df
Approved	Bankers Professional Liability Supplemental Application	93862	01/08	Application/ Replaced Binder/Enro Ilment	Replaced Form #:0.00 93862 (12/06) Previous Filing #: AIC-07-EO-02	93862 (1-08) - BPL Supplement al Application.p df
Approved	Coverage Section Anti-Stacking Endorsement	95306	08/07	Endorseme New nt/Amendm ent/Condi ti ons	0.00	95306 (8-07) - Coverage Section Anti-Stacking Endorsemen t (All Coverage Sections).pdf
Approved	Two Year Policy Period Endorsement	95305	08/07	Endorseme New nt/Amendm ent/Condi ti ons	0.00	95305 (8-07) - Two Year Policy Period Endorsemen t (All Coverage Sections).pdf
Approved	Appendix Do Pub-1 (Crisis Management Insurance)	95367	08/07	Other New	0.00	95367 (8-07) - FIRP Appendix DO PUB-1.pdf
Approved	Bankruptcy/Insolv ency/Creditors Exclusion (D&O Coverage Section)	96624	11/07	Endorseme New nt/Amendm ent/Condi ti ons	0.00	96624 (11-07) - BANKRUPT CY-INSOLVENC Y-CREDITOR S

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						EXCLUSION (DO Public Coverage Section).pdf
Approved	Bankruptcy Trustee, Receiver, Liquidator or Rehabilitator Exclusion (D&O Coverage Section)	96636	11/07	Endorsement/Amendment/Conditions	0.00	96636 (11-07) - BANKRUPTCY TRUSTEE-RECEIVER-LIQUIDATOR OR REHABILITATOR EXCLUSION .pdf
Approved	Commissions Exclusions (D&O Coverage Section)	96635	11/07	Endorsement/Amendment/Conditions	0.00	96635 (11-07) - COMMISSIONS EXCLUSION (DO Public Coverage Section).pdf
Approved	Failure To Effect and/or Maintain Insurance (Defense Costs Carve-Back) Exclusion (D&O Coverage Section)	96633	11/07	Endorsement/Amendment/Conditions	0.00	96633 (11-07) - FAILURE TO EFFECT AND-OR MAINTAIN INSURANCE EXCLUSION -DEFENSE COST CARVEBACK

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						K.pdf
Approved	Failure To Effect and/or Maintain Insurance Exclusion (D&O Coverage Section)	96634	11/07	Endorsement/Amendment/Conditions	0.00	96634 (11-07) - FAILURE TO EFFECT AND-OR MAINTAIN INSURANCE EXCLUSION (DO Public Coverage Section).pdf
Approved	Known Wrongful Act Exclusion (D&O Coverage Section)	96632	11/07	Endorsement/Amendment/Conditions	0.00	96632 (11-07) - KNOWN WRONGFUL ACT EXCLUSION (DO Public Coverage Section).pdf
Approved	Loans Exclusion (D&O Coverage Section)	96625	11/07	Endorsement/Amendment/Conditions	0.00	96625 (11-07) - LOANS EXCLUSION .pdf
Approved	Major Shareholder Exclusion (D&O Coverage Section)	96631	11/07	Endorsement/Amendment/Conditions	0.00	96631 (11-07) - MAJOR SHAREHOLDER EXCLUSION (DO Public Coverage Section).pdf
Approved	Panel Counsel Firm List	96626	11/07	Endorsement/Amendment	0.00	96626 (11-07) - PANEL

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	Amended (Securities Panel) (D&O Coverage Section)			ent/Condi ons		COUNSEL FIRM LIST AMENDED (DO Public Coverage Section).pdf
Approved	Pending and Prior Litigation and Known Wrongful Acts Exclusion for Excess Limits (D&O Coverage Section)	96630	11/07	Endorseme New nt/Amendm ent/Condi ons	0.00	96630 (11- 07) - PENDING AND PRIOR LITIGATION AND KNOWN WRONGFUL ACTS EXCLUSION FOR EXCESS LIMITS.pdf
Approved	Pending and Prior Litigation Exclusion for Excess Limits (D&O Coverage Section)	96629	11/07	Endorseme New nt/Amendm ent/Condi ons	0.00	96629 (11- 07) - PENDING AND PRIOR LITIGATION EXCLUSION FOR EXCESS LIMITS (DO Public Coverage Section).pdf
Approved	Prior Acts Exclusion (Backdated) (D&O Coverage Section)	96628	11/07	Endorseme New nt/Amendm ent/Condi ons	0.00	96628 (11- 07) - PRIOR ACTS EXCLUSION BACKDATE

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							D(DO Public Coverage Section).pdf
Approved	Prior Acts Exclusion for Excess Coverage (D&O Coverage Section)	96627	11/07	Endorsement/Amendment/Conditions	0.00	96627 (11-07) - PRIOR ACTS EXCLUSION FOR EXCESS COVERAGE (DO Public Coverage Section).pdf	
Approved	Professional Errors & Omissions Exclusion (With Securities Claim Carve-Out) (D&O Coverage Section)	96623	11/07	Endorsement/Amendment/Conditions	0.00	96623 (11-07) - PROFESSIONAL ERRORS OMISSIONS EXCLUSION WITH SECURITIES CLAIM CARVE OUT (DO Public Coverage Section).pdf	
Approved	Captive Insurance Company Exclusion	95299	08/07	Endorsement/Amendment/Conditions	0.00	95299 (8-07) - Captive Insurance Company Exclusion (D&O Coverage Section).pdf	
Approved	Commissions	95302	08/07	Endorsement/Amendment/Conditions	0.00	95302 (8-07)	

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	Exclusions			nt/Amendm ent/Condi tions	-	Commission s Exclusion (D&O Coverage Section).pdf
Approved	Contingency Fees Exclusion	95294	08/07	Endorseme New nt/Amendm ent/Condi tions	0.00	95294 (8-07) - Contingency Fee Exclusion (D&O Coverage Section).pdf
Approved	Securitization Endorsement	95296	08/07	Endorseme New nt/Amendm ent/Condi tions	0.00	95296 (8-07) - Securitizatio n Endorsemen t (D&O Coverage Section).pdf
Approved	Severability of the Application Endorsement (Full Individual Severability; Top 3 Company Positions Imputed To Company; Non-Rescindable	95298	08/07	Endorseme New nt/Amendm ent/Condi tions	0.00	95298 (8-07) - SEVERABILI TY ENDORSEM ENT (NON- RESCINDBA LE) (D&O Coverage Section).pdf
Approved	Third Party Coverage Amended With Redlining	96619	11/07	Endorseme New nt/Amendm ent/Condi tions	0.00	96619 (11- 07) - Third Party Coverage

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	Exclusion (Discrimination and Continuity Date)						Amended with Redlining Exclusion (Discriminati on and Continuity Date).pdf
Approved	Third Party Coverage Deleted	95295	08/07	Endorseme New nt/Amendm ent/Condi tions		0.00	95295 (8-07) - Third Party Coverage Deleted (EPLI Coverage Section).pdf
Approved	Failure to Effect and/or Maintain Insurance (Defense Costs Carve-Back) Exclusion (FLI Coverage Section)	95301	08/07	Endorseme New nt/Amendm ent/Condi tions		0.00	95301 (8-07) - Failure to Effect or Maintain Insurance with Defense Cost Carve- Back (FLI Coverage Section).pdf
Approved	Failure to Effect and/or Maintain Insurance Exclusion (FLI Coverage Section)	95300	08/07	Endorseme New nt/Amendm ent/Condi tions		0.00	95300 (8-07) - Failure to Effect or Maintain Insurance (FLI Coverage Section).pdf
Approved	Insurance Broker/Agent Endorsement	95304	08/07	Endorseme New nt/Amendm ent/Condi		0.00	95304 (8-07) - Insurance Agent-



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	(BPL Coverage Section)			ons			Broker Endorsemen t (BPL Coverage Section).pdf
Approved	Investor Protection Endorsement (BPL Coverage Section)	95303	08/07	Endorseme New nt/Amendm ent/Condi tions		0.00	95303 (8-07) - Investor Protection Endorsemen t (BPL Coverage Section).pdf
Approved	Lending Act Extension With Separate Retention (BPL Coverage Section)	96620	11/07	Endorseme New nt/Amendm ent/Condi tions		0.00	96620 (11- 07) - Lending Act Extension with Separate Retention (BPL Coverage Section).pdf
Approved	Loan Servicing Owned By The Insured Endorsement (BPL Coverage Section)	95293	08/07	Endorseme New nt/Amendm ent/Condi tions		0.00	95293 (8-07) - Loan Servicing Owned by the Insured Endorsemen t (BPL Coverage Section).pdf
Approved	Predatory Lending Exclusion	95297	08/07	Endorseme New nt/Amendm ent/Condi tions		0.00	95297 (8-07) - Predatory Lending Exclusion (BPL

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Member Companies of American International Group, Inc.®

☐ American International South Insurance Company ☐ Illinois National Insurance Co.

☐ National Union Fire Insurance Company of Pittsburgh, Pa.®

(each of the above being a capital stock company)

## Financial Institutions Risk Protector<sup>SM</sup>

### Management and Professional Liability for Financial Institutions

POLICY NUMBER:

REPLACEMENT OF POLICY NUMBER:

#### NOTICES

COVERAGE WITHIN THIS POLICY IS GENERALLY LIMITED TO LOSS FROM CLAIMS FIRST MADE AGAINST INSURED DURING THE POLICY PERIOD AND REPORTED TO THE INSURER AS THE POLICY REQUIRES. DEFENSE COSTS REDUCE THE LIMITS OF LIABILITY (AND, THEREFORE, AMOUNTS AVAILABLE TO RESPOND TO SETTLEMENTS AND JUDGMENTS) AND ARE APPLIED AGAINST APPLICABLE RETENTIONS.

THE INSURER DOES NOT ASSUME ANY DUTY TO DEFEND UNLESS SUCH COVERAGE IS EXPRESSLY PROVIDED WITHIN A COVERAGE SECTION. WHERE THE INSURER HAS NO DUTY TO DEFEND, IT WILL ADVANCE DEFENSE COSTS, EXCESS OF THE APPLICABLE RETENTION, PURSUANT TO THE TERMS OF THIS POLICY PRIOR TO THE FINAL DISPOSITION OF A CLAIM. PLEASE REFER TO THE COVERAGE SECTIONS PURCHASED FOR DEFENSE RELATED DETAILS.

PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE HEREUNDER WITH YOUR INSURANCE AGENT OR BROKER TO DETERMINE WHAT IS AND WHAT IS NOT COVERED.

#### DECLARATIONS

**ITEMS**

1	<b>NAMED ENTITY:</b>	(the "Named Entity")			
		MAILING ADDRESS:			
		STATE OF INCORPORATION/FORMATION:			
2	<b>POLICY PERIOD:</b>	From:		To:	
		12:01 A.M. at the mailing address stated in Item 1 above			

**ITEMS (continued)**

3	COVERAGE SUMMARY					
	Liability Coverage Section	Separate Limit of Liability	Shared Limit of Liability	Retention*	Dates**	Premium
	<b>D&amp;O-PRIV</b>	D&O and Private Company	\$	Securities Claims: All Other Claims:	Continuity:	\$
	<b>D&amp;O-PUB</b>	D&O and Public Company	\$	Securities Claims: All Other Claims:	Continuity:	\$
	<b>EPL</b>	Employment Practices	\$	All Claims:	Continuity:	\$
	<b>FLI</b>	Fiduciary	\$	All Claims:	Continuity:	\$
	<b>BPL</b>	Bankers Professional	\$	All Claims:	Continuity: Retro:	\$
	<b>ICL</b>	Insurance Company	\$	All Claims:	Continuity:	\$
	<b>NAS</b>	AIG netAdvantage® Security & Privacy	\$	All Claims:	Continuity: Retro:	\$
	<b>ELAW</b>	Employed Lawyers	\$	All Claims:	Continuity:	\$

	*With respect to the D&O-PRIV, D&O-PUB, EPL, FLI and ELAW Coverage Sections only, no Retention amount is applicable to Non-Indemnifiable Loss.	
	*No Retention amount is applicable to Costs of Investigation for Derivative Claims, CrisisFund®, Employment Crisis Management Fund, Voluntary Compliance Loss and HIPAA Penalties.	
	*With respect to the NAS Coverage Section only, a separate Retention amount is applicable to Class Action Claims as set forth in Clause 6 of the NAS Coverage Section.	
	**With respect to Outside Entity Executive coverage under any D&O Coverage Section, the Continuity Date shall be the date on which the Individual Insured first served as an Outside Entity Executive of such Outside Entity.	
4	<b>TOTAL PREMIUM:</b> \$	
5	<b>OTHER LIMITS OF LIABILITY</b>	
	(a) <b>POLICY AGGREGATE LIMIT OF LIABILITY:</b>	\$
	(b) <b>Derivative Investigation Sublimit of Liability for D&amp;O-PRIV or D&amp;O-PUB, if purchased:</b>	\$
	(c) <b>CrisisFund® for Crisis Loss for D&amp;O-PUB, if purchased:</b>	\$
	(d) <b>Additional CrisisFund® for Delisting Crisis Loss for D&amp;O-PUB, if purchased:</b>	\$
	(e) <b>Employment Crisis Management Fund for EPL, if purchased:</b>	\$
	(f) <b>Voluntary Compliance Loss Sublimit of Liability for FLI, if purchased:</b>	\$
	(g) <b>HIPAA Penalties Sublimit of Liability for FLI, if purchased:</b>	\$
	(h) <b>Regulatory Action Sublimit of Liability for NAS, if purchased:</b>	\$
6	<b>NAME AND ADDRESS OF INSURER</b>	
	This policy is issued only by the insurance company indicated in this Item 6.	
	PRODUCER: PRODUCER LICENSE NO.: ADDRESS:	

**IN WITNESS WHEREOF**, the **Insurer** has caused this policy to be signed on the Declarations by its President, a Secretary and its duly authorized representative.

\_\_\_\_\_  
PRESIDENT

\_\_\_\_\_  
SECRETARY

\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

COUNTERSIGNATURE

DATE

COUNTERSIGNED AT

# **AIG** Financial Institutions Risk Protector<sup>SM</sup>

## **GENERAL TERMS AND CONDITIONS**

In consideration of the payment of the premium, and in reliance upon the statements made to the **Insurer** by application, including its attachments and the material incorporated therein, which form a part of this policy, the **Insurer** agrees as follows:

### **1. TERMS AND CONDITIONS**

These General Terms and Conditions shall be applicable to all **Coverage Sections**, unless otherwise explicitly stated to the contrary in either these General Terms and Conditions or the relevant **Coverage Section**. The terms and conditions set forth in each **Coverage Section** shall only apply to that particular **Coverage Section** and shall in no way be construed to apply to any other **Coverage Section** of this policy.

### **2. DEFINITIONS**

- (a) **"Affiliate"** means: (i) any person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is in common control with, the **Company**; or (ii) any person or entity that directly, or indirectly through one or more intermediaries, is a successor in interest to the **Company**.
- (b) **"Bodily Injury"** means physical injury, sickness, disease (other than emotional distress or mental anguish), including death resulting therefrom.
- (c) **"Claim"** means **Claim**, as that term is defined within each **Coverage Section**.
- (d) **"Cleanup Costs"** means expenses (including but not limited to legal and professional fees) incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralizing, detoxifying or assessing the effects of **Pollutants**.
- (e) **"Company"** means (i) the **Named Entity**, (ii) any **Subsidiary** thereof, and, (iii) in the event a bankruptcy proceeding shall be instituted by or against the foregoing entities, the resulting debtor-in-possession (or equivalent status outside the United States), if any.
- (f) **"Company Shareholder Derivative Investigation"** means an investigation by the **Company** (including its board of directors (or equivalent management body) or any committee of the board of directors of the **Company**) as to whether or not the **Company** should commence a civil proceeding in a court of law against one or more **Director(s)** or **Officer(s)** of such **Company** in direct response to a written demand by one or more shareholders of a **Company**, other than shareholders who are **Insureds** (**"Complaining Shareholders"**), upon the board of directors (or equivalent management body) of such **Company** to bring, on behalf of the **Company**, a civil proceeding in a court of law against a **Director** or **Officer** of the **Company** for

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a **Wrongful Act** of such **Director or Officer** of the **Company**.

- (g) **"Complaining Shareholder"** means any shareholder or shareholders, other than any **Insured**, that makes a **Derivative Demand**.
- (h) **"Continuity Date"** means the date set forth in Item 3 of the Declarations with respect to each **Coverage Section**.
- (i) **"Coverage Section(s)"** means each **Coverage Section** that is purchased by the **Insured** as indicated in Item 3 of the Declarations.
- (j) **"Defense Costs"** means reasonable and necessary fees, costs and expenses consented to by the **Insurer** (including premiums for any appeal bond, attachment bond, or similar bond arising out of a covered judgment, but without any obligation to apply for or furnish any such bond), resulting solely from the investigation, adjustment, defense and appeal of a **Claim** against the **Insureds**, but excluding any compensation of any **Individual Insured** of the **Company**. **Defense Costs** shall not include any fees, costs or expenses incurred prior to the time that a **Claim** is first made against an **Insured**.
- (k) **"Derivative Demand"** means a written demand by shareholders upon the board of directors (or equivalent management body) of a **Company** asking it to bring, on behalf of the **Company**, a civil proceeding in a court of law against any **Director or Officer** of the **Company** for a **Wrongful Act** of such **Director or Officer** in order to obtain relief from damages arising out of such **Wrongful Acts**.
- (l) **"Director(s) or Officer(s)"** means any:
  - (1) past, present and future duly elected or appointed director or officer of a corporation and member of the management board of a limited liability company (or equivalent positions);
  - (2) with respect to operations of the **Company** in a **Foreign Jurisdiction**, such past, present and future persons in duly elected or appointed positions of the **Company** that are equivalent to an executive position listed in paragraph (1) of this definition; and
  - (3) past, present and future general counsel and risk manager (or equivalent position) of the **Named Entity**.
- (m) **"Discovery Period"** means **Discovery Period**, as that term is defined in Clause 8 of the General Terms and Conditions.
- (n) **"Domestic Partner"** means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law or under the provisions of any formal program established by the **Named Entity** or any **Subsidiary**.
- (o) **"Employee(s)"** means any past, present or future employee, whether such employee is in a supervisory, co-worker or subordinate position or otherwise, including any part-time, seasonal

and temporary employee in his or her capacity as such. An individual who is leased to the **Company**, who is contracted to perform work for the **Company**, or who is an independent contractor for the **Company** shall also be an **Employee**, but only if the **Company** provides indemnification to such individual in the same manner as is provided to the **Company's** employees.

- (p) **"Financial Insolvency"** means the: (i) appointment by any state or federal official, agency or court of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate a **Company**; or (ii) the **Company** becoming a debtor-in-possession pursuant to the United States bankruptcy law; or (iii) a bankruptcy petition is filed by or against the **Company**, and as to (i), (ii) and (iii), the equivalent status outside the United States of America.
- (q) **"Foreign Jurisdiction"** means any jurisdiction, other than the United States or any of its territories or possessions.
- (r) **"Indemnifiable Loss"** means **Loss** for which the **Company** has indemnified or is permitted or required to indemnify an **Individual Insured** pursuant to law or contract or the charter, bylaws, operating agreement or similar documents of a **Company**.
- (s) **"Individual Insured(s)"** means an **Individual Insured**, as that term is defined within each **Coverage Section**.
- (t) **"Insured(s)"** means an **Insured**, as that term is defined within each **Coverage Section**.
- (u) **"Insurer"** means the entity listed in Item 6 of the Declarations.
- (v) **"Investigation"** means the investigation by the **Company** or, on behalf of the **Company** by its board of directors (or the equivalent management body) or any committee of the board of directors (or the equivalent management body), as to whether or not the **Company** should bring the civil proceeding demanded in the **Derivative Demand**.
- (w) **"Investigation Costs"** means reasonable and necessary costs, charges, fees and expenses (including but not limited to attorney's fees and expert's fees but not including any settlement, judgment or damages and not including any regular or overtime wages , salaries or fees of any **Director or Officer or Employee** of the **Company**) incurred by the **Company** or its board of directors (or the equivalent management body) or any committee of the board of directors (or the equivalent management body), and incurred solely in connection with an **Investigation**.
- (x) **"Loss"** means **Loss**, as that term is defined within each **Coverage Section**.
- (y) **"Management Control"** means: (1) owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of: the board of directors of a corporation; the management committee members of a joint venture; or the members of the management board of a limited liability company; or (2) having the right, pursuant to written

contract or the by-laws, charter, operating agreement or similar documents of a **Company**, to elect, appoint or designate a majority of: the board of directors of a corporation; the management committee of a joint venture; or the management board of a limited liability company.

- (z) **"Named Entity"** means the entity listed in Item 1 of the Declarations.
- (aa) **"Non-Indemnifiable Loss"** means **Loss** for which a **Company** has neither indemnified nor is permitted or required to indemnify an **Individual Insured** pursuant to law or contract or the charter, bylaws, operating agreement or similar documents of a **Company**.
- (bb) **"Outside Entity"** means any: (1) not-for-profit organization; or (2) other entity listed as an **"Outside Entity"** in an endorsement attached to this policy.
- (cc) **"Outside Entity Executive"** means any: (1) **Director(s) or Officer(s)** of the **Company** who is or was acting at the specific written request or direction of the **Company** as a **Director(s) or Officer(s)** of an **Outside Entity**; or (2) any other person listed as an **Outside Entity Executive** in an endorsement attached to this policy.
- (dd) **"Policy Aggregate Limit of Liability"** means the **Policy Aggregate Limit of Liability** stated in Item 5(a) of the Declarations.
- (ee) **"Policy Period"** means the period of time from the inception date shown in Item 2 of the Declarations to the earlier of the expiration date shown in Item 2 of the Declarations or the effective date of cancellation of this policy.
- (ff) **"Pollutants"** means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and **Waste**. **"Waste"** includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.
- (gg) **"Property Damage"** means damage to, or destruction of tangible or intangible property, including the loss of use thereof, or the loss of use of tangible or intangible property which has not been damaged or destroyed.
- (hh) **"Related Wrongful Act"** means a **Wrongful Act**, which is the same, related or continuous, or a **Wrongful Act** which arises from a common nucleus of facts. **Claims** can allege **Related Wrongful Acts** regardless of whether such **Claims** involve the same or different claimants, **Insureds** or legal causes of action.
- (ii) **"Retaliation"** means a retaliatory act of an **Insured** alleged to be in response to any of the following activities: (1) the disclosure or threat of disclosure by an **Employee** of the **Company** or an **Outside Entity** to a superior or to any governmental agency of any act by an **Insured** which act is alleged to be a violation of any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder; (2) the actual or attempted exercise by an **Employee** of the **Company** or an **Outside Entity** of any right that

such **Employee** has under law, including rights under worker's compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to employee rights; (3) the filing of any claim under the Federal False Claims Act or any other federal, state, local or foreign "whistle-blower" law; or (4) strikes of an **Employee** of the **Company** or an **Outside Entity**.

- (jj) "**Separate Limit of Liability**" means each **Separate Limit of Liability**, if any, stated in Item 3 of the Declarations.
- (kk) "**Shared Limit of Liability**" means each **Shared Limit of Liability**, if any, stated in Item 3 of the Declarations, which limit of liability shall be shared between all of the **Coverage Sections** which are listed below such **Shared Limit of Liability** in the Declarations.

(ll) "**Subsidiary**" means:

(1) If the equity securities of the **Named Entity** are not publicly traded at the inception date of the policy:

- (i) any for-profit organization that is not formed as a partnership or joint venture, whose equity securities are not publicly traded, which on or before the inception of the **Policy Period** is more than 50% owned by the **Named Entity**, either directly or indirectly through one or more of its **Subsidiaries**;
- (ii) automatically any for-profit organization that is not formed as a partnership or joint venture, whose equity securities are not publicly traded and whose assets total less than 25% of the total consolidated assets of the **Company** at the date such organization is acquired and which organization becomes a **Subsidiary** during the **Policy Period**. The **Named Entity** shall provide the **Insurer** with full particulars of the new **Subsidiary** before the end of the **Policy Period**; and
- (iii) automatically any for-profit organization that is not formed as a partnership or joint venture, whose equity securities are not publicly traded and whose assets total 25% or more of the total consolidated assets of the **Company** at the date such organization is acquired, but such entity shall be a **Subsidiary** only: (i) for a period of ninety (90) days from the date the organization became a **Subsidiary**; or (ii) until the end of the **Policy Period**, whichever ends or occurs first (hereinafter "**Auto-Subsidiary Period**"); provided that the **Named Entity** or any other **Insured** shall report such **Subsidiary** to the **Insurer**, in writing, prior to the end of the **Policy Period**.

A **Subsidiary** ceases to be a **Subsidiary** when the **Named Entity** ceases to own more than a 50% ownership in such **Subsidiary**, either directly, or indirectly through one or more of its **Subsidiaries**.

(2) If the equity securities of the **Named Entity** are publicly traded at the inception date of the policy:

- (i) any for-profit organization that is not formed as a partnership, of which the **Named Entity** has **Management Control ("Controlled Entity")** on or before the inception of the **Policy Period** either directly or indirectly through one or more other **Controlled Entities**;
- (ii) automatically any for-profit organization that is not formed as a partnership of which the **Named Entity** first had **Management Control** during the **Policy Period**, whether directly or indirectly through one or more other **Subsidiaries**, and whose assets total less than 25% of the total consolidated assets of the **Company** as of the inception date of this policy, provided that the **Named Entity** or any other **Insured** shall report such **Subsidiary** to the **Insurer**, in writing, prior to the end of the **Policy Period**;
- (iii) automatically any for-profit organization that is not formed as a partnership of which the **Named Entity** first had **Management Control** during the **Policy Period**, whether directly or indirectly through one or more other **Subsidiaries**, and, whose assets total 25% or more of the total consolidated assets of the **Company** as of the inception date of this policy, but such entity shall be a **Subsidiary** only: (i) for a period of sixty (60) days from the date the **Named Entity** first had **Management Control** of such entity; or (ii) until the end of the **Policy Period**, whichever ends or occurs first (hereinafter "**Auto-Subsidiary Period**"); provided that the **Named Entity** or any other **Insured** shall report such **Subsidiary** to the **Insurer**, in writing, prior to the end of the **Policy Period**; and
- (iv) any not-for-profit entity under section 501(c)(3) of the Internal Revenue Code of 1986 (as amended) sponsored exclusively by a **Company**.

A **Subsidiary** ceases to be a **Subsidiary** when the **Named Entity** no longer maintains **Management Control** of a **Subsidiary** either directly or indirectly through one or more of its **Subsidiaries**.

- (3) Irrespective of whether or not the equity securities of the **Named Entity** are publicly traded at the inception date of the policy, the following provisions apply:
  - (i) The **Insurer** shall extend coverage for any **Subsidiary** described in (II)(1)(iii) and (II)(2)(iii) above, and any **Individual Insured** thereof, beyond its respective **Auto-Subsidiary Period** if during such **Auto-Subsidiary Period**, the **Named Entity** shall have provided the **Insurer** with full particulars of the new **Subsidiary** and agreed to any additional premium and amendment of the provisions of this policy as required by the **Insurer** relating to such **Subsidiary**. Further, coverage as shall be afforded to any **Subsidiary** and any **Individual Insured** thereof is conditioned upon the **Named Entity** paying when due any additional premium required by the **Insurer** relating to such **Subsidiary**.

- (ii) In all events, coverage as is afforded under this policy with respect to a **Claim** made against **Individual Insureds** of any **Subsidiary**, or any **Subsidiary**, shall only apply for **Wrongful Acts** committed or allegedly committed after the effective time that such **Individual Insured** or **Subsidiary** became an **Individual Insured** or **Subsidiary** and prior to the time that such **Individual Insured** or **Subsidiary** ceased to be an **Individual Insured** or **Subsidiary**.

(mm) "**Wrongful Act**" means a **Wrongful Act**, as that term is defined within each **Coverage Section**.

### 3. EXTENSIONS

Subject otherwise to the terms herein, this policy shall cover **Loss** arising from any **Claim** made against: (i) the estates, heirs, or legal representatives of deceased **Individual Insureds**, and the legal representatives of **Individual Insureds** in the event of incompetency, insolvency or bankruptcy, who were **Individual Insureds** at the time the **Wrongful Acts** upon which such **Claims** are based were committed; or (ii) the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) or **Domestic Partner** of an **Individual Insured** for all **Claims** arising solely out of his or her status as the spouse or **Domestic Partner** of an **Individual Insured**, including a **Claim** that seeks damages recoverable from marital community property, property jointly held by the **Individual Insured** and the spouse or **Domestic Partner**, or property transferred from the **Individual Insured** to the spouse or **Domestic Partner**; provided, however, that this extension shall not afford coverage for any **Claim** for any **Wrongful Act** of the spouse or **Domestic Partner**, but shall apply only to **Claims** arising out of any **Wrongful Acts** of an **Individual Insured**, subject to the policy's terms, conditions and exclusions.

### 4. EXCLUSIONS

The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured**:

- (a) arising out of, based upon or attributable to the gaining of any profit or advantage to which any final adjudication establishes the **Insured(s)** were not legally entitled;
- (b) alleging, arising out of, based upon or attributable to the facts alleged, or to the same as or a **Related Wrongful Act** alleged or contained in any **Claim** which has been reported, or in any circumstances of which notice has been given, under any policy of which this policy is a renewal or replacement or which it may succeed in time;
- (c) alleging, arising out of, based upon or attributable to, directly or indirectly, as of the **Continuity Date**, any pending or prior: (1) litigation; or (2) administrative or regulatory proceeding or investigation of which an **Insured** had notice, or alleging any **Wrongful Act** which is the same as or a **Related Wrongful Act** to that alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation;
- (d) alleging, arising out of, based upon or attributable to, directly or indirectly, any actual, alleged or



threatened discharge, dispersal, release or escape of **Pollutants**; or for any direction or request to test, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**; provided, however, this exclusion shall not apply:

- (i) with respect to the D&O Coverage Section only, to:
    - (1) **Non-Indemnifiable Loss**, other than **Non-Indemnifiable Loss** constituting **Cleanup Costs**; or
    - (2) a **Securities Claim** (as defined in the D&O Coverage Section), other than:
      - (a) **Loss** constituting **Cleanup Costs**; or
      - (b) any **Securities Claim** brought derivatively on behalf of a **Company** by a securities holder of such **Company** alleging, arising out of, based upon, or attributable to, directly or indirectly, **Cleanup Costs**;
  - (ii) with respect to the EPL Coverage Section only, to any **Claim** for **Retaliation**;
  - (iii) with respect to the FLI Coverage Section only, to **Non-Indemnifiable Loss** from a **Claim** alleging damage to a **Plan** (as defined in the FLI Coverage Section);
- (e) alleging, arising out of, based upon or attributable to, directly or indirectly, **Bodily Injury** or **Property Damage**; provided, however, this exclusion shall not apply:
- (i) with respect to the D&O Coverage Section only, to any **Securities Claim** (as defined in the D&O Coverage Section); and
  - (ii) with respect to the FLI Coverage Section only, to **Defense Costs** incurred in the defense of a **Claim** alleging a **Breach of Fiduciary Duty** (as defined in the FLI Coverage Section);
- (f) for violation(s) of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar federal, state, local or foreign statutory law or common law; provided, however, that with respect to the EPL Coverage Section only, this exclusion shall not apply to a **Claim** for **Retaliation**; provided, further that solely with respect to violations of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 and the Consolidated Omnibus Budget Reconciliation Act, this exclusion shall not apply to the extent coverage is afforded pursuant to the FLI Coverage Section;
- (g) alleging, arising out of, based upon, or attributable to, directly or indirectly, the refusal, failure or inability of any **Insured(s)** to pay wages or overtime pay for services rendered (hereinafter, "**Earned Wages**") (as opposed to tort-based back pay or front pay damages) or for improper payroll deductions taken by any **Insured(s)** from any **Employee(s)** or purported employee(s), including, but not limited to, (i) any unfair business practice claim alleged because of the failure to pay **Earned Wages**, or (ii) any **Claim** seeking **Earned Wages** because any **Employee(s)** or purported employee(s) was improperly classified or mislabeled as "exempt;" or
- (h) alleging, arising out of, based upon or attributable to, directly or indirectly, any obligation pursuant to any workers' compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar benefits; provided, however, this exclusion shall not apply:

- (1) with respect to the EPL Coverage Section only, to a **Claim for Retaliation**; and
- (2) to the extent coverage is afforded pursuant to the FLI Coverage Section only.

For the purpose of determining the applicability of the foregoing exclusion 4(a): (1) the facts pertaining to and knowledge possessed by any **Insured** shall not be imputed to any other **Individual Insured**; and (2) facts pertaining to and knowledge possessed by any past, present or future chairman of the board, president, chief executive officer, chief operating officer, chief financial officer or general counsel (or equivalent positions) of the **Company** shall be imputed only to the **Company**.

## **5. AGGREGATE LIMIT OF LIABILITY (FOR ALL LOSS UNDER THIS POLICY COMBINED - INCLUDING DEFENSE COSTS)**

The **Policy Aggregate Limit of Liability** stated in Item 5(a) of the Declarations is the maximum limit of the **Insurer's** liability for all **Loss** under all **Coverage Sections** combined, arising out of all **Claims** first made against the **Insureds** during the **Policy Period** or the **Discovery Period** (if applicable); provided, however, the **Policy Aggregate Limit of Liability** for the **Discovery Period** shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** for the **Policy Period**. Further, a **Claim** which is made subsequent to the **Policy Period** or **Discovery Period** (if applicable) which pursuant to Clause 7(b) or 7(c) is considered made during the **Policy Period** or **Discovery Period**, shall also be subject to the **Policy Aggregate Limit of Liability** stated in Item 5(a) of the Declarations and subject to the applicable **Separate Limits of Liability** or **Shared Limit of Liability**, if any.

If **Separate Limits of Liability** are stated in Item 3 of the Declarations, then each such **Separate Limit of Liability** shall be the maximum limit of the **Insurer's** liability for all **Loss** arising out of all **Claims** first made against the **Insureds** during the **Policy Period** or the **Discovery Period** (if applicable) with respect to the applicable **Coverage Section** as stated on the Declarations; provided, however, the **Separate Limit of Liability** for the **Discovery Period** shall be part of, and not in addition to, the **Separate Limit of Liability** for the **Policy Period**. The **Separate Limit of Liability** shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** for all **Loss** under this policy as stated in Item 5(a) of the Declarations and shall in no way serve to increase the **Policy Aggregate Limit of Liability** as therein stated.

If **Shared Limits of Liability** are stated in Item 3 of the Declarations, then each such **Shared Limit of Liability** shall be the maximum limit of the **Insurer's** liability for all **Loss** arising out of all **Claims** first made against the **Insureds** during the **Policy Period** or the **Discovery Period** (if applicable) with respect to all **Coverage Sections** for which such **Shared Limit of Liability** is applicable, as indicated on the Declarations; provided, however, with respect to all **Coverage Sections** that have a **Shared Limit of Liability**, the **Shared Limit of Liability** for the **Discovery Period** shall be part of, and not in addition to, the **Shared Limit of Liability** for the **Policy Period**. Any **Shared Limit of Liability** shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** for all **Loss** under this policy as stated in Item 5(a) of the Declarations and shall in no way serve to increase the **Policy Aggregate Limit of Liability** as therein stated.

**Defense Costs** are not payable by the **Insurer** in addition to the **Policy Aggregate Limit of Liability** or



any **Separate Limit of Liability** or **Shared Limit of Liability**. **Defense Costs** are part of **Loss** and as such are subject to the **Policy Aggregate Limit of Liability** for **Loss** and any applicable **Separate Limit of Liability** or **Shared Limit of Liability**. Amounts incurred for **Defense Costs** shall be applied against the **Retention** amount.

## 6. RETENTION CLAUSE

For each **Claim**, the **Insurer** shall only be liable for the amount of **Loss** arising from a **Claim** which is in excess of the applicable **Retention** amount stated in Item 3 of the **Declarations**, such **Retention** amount to be borne by the **Company** and/or the **Insureds** and shall remain uninsured, with regard to: (i) all **Loss** under the **Security & Privacy Coverage Section**, **BPL Coverage Section** and **ICL Coverage Section**; and (ii) all **Indemnifiable Loss** and all **Loss** of the **Company** under all other **Coverage Sections**. A single **Retention** amount shall apply to **Loss** arising from all **Claims** alleging the same **Wrongful Act** or **Related Wrongful Act**. In the event a **Claim** triggers more than one amount stated in Item 3 of the **Declarations**, only the highest such amount shall apply, which amount shall apply to all **Loss** under such **Claim**.

In the event a **Company** refuses or is unable to pay **Indemnifiable Loss** due to **Financial Insolvency**, then the **Insurer** shall commence advancing such **Indemnifiable Loss** within the **Retention**, and shall pay such **Indemnifiable Loss** in excess of the **Retention**, subject to the other terms, conditions and exclusions of this policy, provided that the **Insurer** shall be entitled to recover the amount of such **Indemnifiable Loss** advanced within the **Retention** from the **Company** pursuant to Clause 11 of the **General Terms and Conditions**.

## 7. NOTICE/CLAIM REPORTING PROVISIONS

Notice hereunder shall be given in writing to **AIG Domestic Claims, Inc., Financial Lines, 175 Water Street, 9<sup>th</sup> Floor, New York, NY 10038** to the attention of "**D&O Segmentation Unit.**" Notice shall include and reference the **Policy Number** as indicated in the **Declarations**. If mailed, the date of mailing shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

A **Claim** shall be considered to have been first made against an **Insured** when written notice of such **Claim** is received by any **Insured**, by the **Company** on the behalf of any **Insured**, or by the **Insurer**, whichever comes first.

- (a) The **Company** or the **Insureds** shall, as a condition precedent to the obligations of the **Insurer** under this policy, give written notice to the **Insurer** of any **Claim** made against an **Insured** or an **Employment Crisis** (as defined in the **EPL Coverage Section**) as soon as practicable and either:

- (1) any time during the **Policy Period** or during the **Discovery Period** (if applicable); or
- (2) within forty-five (45) days after the end of the **Policy Period** or the **Discovery Period** (if applicable), as long as such **Claim** was first made against an **Insured** within the final thirty (30) days of the **Policy Period** or the **Discovery Period** (if applicable).

- (b) If written notice of a **Claim** has been given to the **Insurer** pursuant to Clause 7(a) above, then any **Claim** which is subsequently made against the **Insureds** and reported to the **Insurer** alleging a **Related Wrongful Act** to the **Claim** for which such notice has been given shall be considered made at the time such notice was given.
- (c) If during the **Policy Period** or **Discovery Period** (if applicable), the **Company** or the **Insureds** shall become aware of any circumstances which may reasonably be expected to give rise to a **Claim** being made against the **Insureds** and shall give written notice to the **Insurer** of the circumstances, the **Wrongful Act** allegations anticipated, and the reasons for anticipating such a **Claim**, with full particulars as to dates, persons and entities involved, then any **Claim** which is subsequently made against the **Insureds** and reported to the **Insurer** alleging, arising out of, based upon or attributable to such circumstances or alleging any **Related Wrongful Act** to such circumstances, shall be considered made at the time such notice of such circumstances was given.

## 8. DISCOVERY CLAUSE

Except as indicated below, if the **Named Entity** shall cancel or the **Named Entity** or the **Insurer** shall refuse to renew this policy, the **Named Entity** shall have the right to a period of either one, two or three years following the effective date of such cancellation or nonrenewal (herein referred to as the "**Discovery Period**") upon payment of the respective "**Additional Premium Amount**" described below in which to give to the **Insurer** written notice of **Claims** first made against the **Insureds** during said **Discovery Period** for any **Wrongful Act** occurring prior to the end of the **Policy Period** and otherwise covered by this policy. The rights contained in this paragraph shall terminate, however, unless written notice of such election together with the additional premium due is received by the **Insurer** within thirty (30) days of the effective date of cancellation or nonrenewal.

The **Additional Premium Amount** for: (1) one year shall be 75% of the "full annual premium" indicated in Item 4 of the Declarations; (2) two years shall be 150% of the "full annual premium" indicated in Item 4 of the Declarations; and (3) three years shall be a reasonable premium amount to be mutually agreed upon by the **Named Entity** and the **Insurer**.

In the event of a **Transaction** (as defined in Clause 10 below), the **Named Entity** shall have the right, within thirty (30) days before the end of the **Policy Period**, to request an offer from the **Insurer** of a **Discovery Period** (with respect to **Wrongful Acts** occurring prior to the effective time of the **Transaction**) for a period of no less than three (3) years or for such longer or shorter period as the **Named Entity** may request. The **Insurer** shall offer such **Discovery Period** pursuant to such terms, conditions and premium as the **Insurer** may reasonably decide. In the event of a **Transaction**, the right to a **Discovery Period** shall not otherwise exist except as indicated in this paragraph.

The **Discovery Period** is not cancelable by the **Insureds** or the **Insurer**, except that the **Insurer** may cancel the **Discovery Period** for non-payment of premium. This Clause 8 and the rights contained herein shall not apply to any cancellation resulting from non-payment of premium.

## 9. CANCELLATION CLAUSE

This policy may be canceled by the **Named Entity** at any time only by mailing written prior notice to the **Insurer** or by surrender of this policy to the **Insurer** or its authorized agent.

This policy may be canceled by or on the behalf of the **Insurer** only in the event of non-payment of premium by the **Named Entity**. In the event of non-payment of premium by the **Named Entity**, the **Insurer** may cancel this policy by delivering to the **Named Entity** or by mailing to the **Named Entity**, by registered, certified, or other first class mail, at the **Named Entity's** address as shown in Item 1(a) of the Declarations, written notice stating when, not less than the minimum time allowed pursuant to the applicable state law, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice. The **Policy Period** terminates at the date and hour specified in such notice, or at the date and time of surrender. The **Insurer** shall have the right to the premium amount for the portion of the **Policy Period** during which the policy was in effect.

If this policy shall be canceled by the **Named Entity**, the **Insurer** shall retain the customary short rate proportion of the premium herein.

## 10. CHANGE IN CONTROL OF NAMED ENTITY

(1) If the equity securities of the **Named Entity** are not publicly traded at the inception date of the policy and if during the **Policy Period**:

- (a) the **Named Entity** shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
- (b) any person or entity or group of persons or entities acting in concert shall acquire an amount of the outstanding securities representing more than 50% of the voting power for the election of directors of the **Named Entity**, or acquires the voting rights of such an amount of such securities;

(either of the above events herein referred to as the "**Transaction**"),

then this policy shall continue in full force and effect as to **Wrongful Acts** occurring prior to the effective time of the **Transaction**, but there shall be no coverage afforded by any provision of this policy for any **Wrongful Act** occurring after the effective time of the **Transaction**.

(2) If the equity securities of the **Named Entity** are publicly traded at the inception date of the policy and if during the **Policy Period**:

- (a) the **Named Entity** shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
- (b) any person or entity or group of persons or entities acting in concert shall acquire **Management Control** of the **Named Entity**;

(either of the above events herein referred to as the "**Transaction**"),

then this policy shall continue in full force and effect as to **Wrongful Acts** occurring prior to the effective time of the **Transaction**, but there shall be no coverage afforded by any provision of this policy for any **Wrongful Act** occurring after the effective time of the **Transaction**.

(3) This policy may not be canceled after the effective time of the **Transaction** and the entire premium for this policy shall be deemed earned as of such time. The **Named Entity** shall also have the right to an offer by the **Insurer** of a **Discovery Period** described in Clause 8 above.

(4) The **Named Entity** shall give the **Insurer** written notice of the **Transaction** as soon as practicable, but not later than thirty (30) days after the effective date of the **Transaction**.

## 11. SUBROGATION AND RIGHT OF DIRECT RECOVERY AGAINST INSURED

(a) In the event of any payment under this policy, the **Insurer** shall be subrogated to the extent of such payment to all of each and every **Company's** and **Insureds'** rights of recovery thereof, and each such **Company** and **Insured** shall execute all papers required and shall do everything that may be necessary to secure such rights (including, without limitation, the assertion of indemnification or contribution rights), including the execution of any and all documents necessary to enable the **Insurer** effectively to bring suit in the name of each such **Company** and each such **Insured**. In no event, however, shall the **Insurer** exercise its rights of subrogation against an **Insured** under this policy unless (i) the **Insurer** is seeking recovery from the **Company** pursuant to subparagraph (b)(i) of this Clause, or (ii) such **Insured** has been convicted of a deliberate criminal act, or been determined by any final adjudication to have committed a deliberate fraudulent act, or been determined by any final adjudication to have obtained any profit or advantage to which such **Insured** was not legally entitled.

(b) In the event that the **Insurer** shall for any reason pay **Indemnifiable Loss**, the **Insurer**:

- (i) shall be subrogated to the **Individual Insured's** right of recovery from the **Company**, or in the event of a bankruptcy of the **Company**, from the debtor-in-possession (or equivalent status outside the United States), of the amount of such **Loss** equal to the amount of the Retention not satisfied by the **Company** (hereinafter "**Retention Loss**"); and
- (ii) shall have a direct contractual right under the policy to recover from the **Company**, or in the event of a bankruptcy of the **Company**, from the debtor-in-possession (or equivalent status outside the United States), the **Retention Loss**. Such direct contractual right of recovery against the **Company** shall be in addition to and independent of the **Insurer's** subrogation rights pursuant to subparagraph (b)(i) above.

(c) The **Insurer** shall have a direct contractual right under the policy to recover **Loss** paid under the policy from each and every **Insured**, severally and according to their respective interests, in the event and to the extent that such **Insureds** shall not be entitled under this policy to payment of such **Loss**.

(d) Solely with respect to the FLI Coverage Section, in the event this policy has been purchased by an **Insured** other than a **Plan** (as defined in the FLI Coverage Section), the **Insurer** shall have no

right of recourse against an **Insured**. Notwithstanding the foregoing, the **Insurer** shall have a right of recourse against an **Insured** arising out of a **Claim** by an **Insured** against another **Insured** unless such **Claim** is instigated and continued totally independent of, and totally without the solicitation of, assistance of or active participation by the **Insured** claimed against.

## 12. OTHER INSURANCE

Solely with respect to the EPL Coverage Section, unless expressly written to be excess over other applicable insurance, it is intended that the insurance provided by the EPL Coverage Section shall be primary.

With respect to all **Coverage Sections** other than the EPL Coverage Section, such insurance as is provided by this policy shall apply only as excess over any other valid and collectible insurance, unless such other insurance is written only as specific excess insurance over the **Policy Aggregate Limit of Liability** provided by this policy. This policy specifically shall be excess of any other policy pursuant to which any other insurer has a duty to defend a **Claim** for which this policy may be obligated to pay **Loss**.

In the event of a **Claim** against an **Insured** arising out of his or her service as an **Outside Entity Executive**; or a **Claim** against an **Insured** for the **Insured's** liability with respect to a leased **Employee**, coverage as is afforded by this policy shall be specifically excess of indemnification provided by such **Outside Entity** or such leasing company and any insurance provided to such **Outside Entity** or such leasing company.

Further, in the event other insurance is provided to the **Outside Entity** or leasing company referenced in the above paragraph, or is provided under any pension trust or employee benefit plan fiduciary liability insurance policy, and such other insurance is provided by the **Insurer** or any member company of American International Group, Inc. (AIG) (or would be provided but for the application of the retention amount, exhaustion of the limit of liability or failure to submit a notice of a **Claim**), then the **Insurer's** maximum aggregate limit of liability for all **Loss** combined in connection with a **Claim** covered, in part or in whole, by this policy and such other insurance policy issued by AIG, shall not exceed the greater of the **Policy Aggregate Limit of Liability** or any **Separate Limit of Liability** or **Shared Limit of Liability** of this policy or the limit of liability of such other AIG insurance policy.

## 13. NOTICE AND AUTHORITY

It is agreed that the **Named Entity** shall act on behalf of its **Subsidiaries** and all **Insureds** with respect to the giving of notice of a **Claim**, the giving and receiving of notice of cancellation and nonrenewal, the payment of premiums and the receiving of any return premiums that may become due under this policy, the receipt and acceptance of any endorsements issued to form a part of this policy, the exercising or declining of the right to tender the defense of a **Claim** to the **Insurer** and the exercising or declining to exercise any right to a **Discovery Period**.

## 14. ASSIGNMENT

This policy and any and all rights hereunder are not assignable without the prior written consent of



the **Insurer**, which shall be in the sole and absolute discretion of the **Insurer**.

## 15. DISPUTE RESOLUTION PROCESS

- (a) It is hereby understood and agreed that all disputes or differences which may arise under or in connection with this policy, whether arising before or after termination of this policy, and including any determination of the amount of **Loss**, shall be submitted to the alternative dispute resolution process set forth in this Clause 15.
- (b) The **Insurer** and **Insured(s)** shall, in the first instance, seek to resolve all such disputes governed by this Clause 15 and referred to in the preceding paragraph (collectively "disputes," or individually "dispute") through non-binding mediation administered by the American Arbitration Association. It shall be a condition precedent to the right(s) of the **Insurer** and **Insured(s)** to commence an arbitration or judicial proceeding that the **Insurer** and **Insured(s)** first seek to resolve all such disputes by non-binding mediation. In the event that the **Insurer** or an **Insured** shall commence an arbitration or judicial proceeding in violation of this paragraph, the other party shall have the right, but not the obligation, to seek the dismissal of or a stay of such arbitration or judicial proceeding. The costs incurred, including legal fees, in seeking such dismissal or stay shall be paid by the party commencing the arbitration or judicial proceeding in violation of this Clause 15.
- (c) After the date on which the mediation terminates pursuant to the terms set forth in Appendix GTC-1 to this policy, the **Insurer** and **Insureds** shall wait at least sixty (60) days prior to filing an arbitration or judicial proceeding. Either the **Insurer** or an **Insured** may elect to file arbitration or a judicial proceeding; provided, however, that such **Insured** shall have the right to reject the **Insurer's** choice of either arbitration or a judicial proceeding prior to or after such proceeding is commenced, but only so long as such rejection shall be in writing and mailed to the **Insurer** within fourteen (14) days from the date on which the **Insurer** demands arbitration or commences a judicial proceeding. In the event an **Insured** rejects the **Insurer's** choice pursuant to the terms of this paragraph, such **Insured's** choice of either arbitration or a judicial proceeding shall control. In the event the dispute between the **Insurer** and **Insured(s)** that is the subject of this Clause 15 concerns a **Claim**, the rejection notice shall be addressed to the claims department responsible for handling such **Claim**.
- (d) Any such mediation, arbitration or judicial proceeding shall be subject to the terms and conditions set forth in Appendix GTC-1 to this policy.
- (e) Notwithstanding any preceding provision in this Clause 15, this Clause 15 shall not apply or govern any dispute concerning the issue of whether the policy, for any reason, is void or voidable.

## 16. ACTION AGAINST INSURER

Except as provided in Clause 15 above, no action shall lie against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the **Insureds'** obligation to pay shall have been finally determined either by judgment against the **Insureds** after actual trial or by written agreement of the **Insureds**, the claimant and the

## **Insurer.**

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the **Insurer** as a party to any action against the **Insureds** or the **Company** to determine the **Insureds'** liability, nor shall the **Insurer** be impleaded by the **Insureds** or the **Company** or their legal representatives. Bankruptcy or insolvency of the **Company** or the **Insureds** or of their estates shall not relieve the **Insurer** of any of its obligations hereunder.

## **17. CHANGE IN THIS POLICY**

Notices to any agent or broker or knowledge possessed by any agent or broker or by any other person shall not effect a waiver or a change in any part of this policy or estop the **Insurer** from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed except by endorsement issued to form a part of this policy and signed by an authorized representative of the **Insurer**.

## **18. TERRITORY**

Where legally permissible, this policy shall apply to any **Claim** made against any **Insured** anywhere in the world. Payment of **Loss** under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

## **19. HEADINGS**

The descriptions in the headings of this policy are solely for convenience, and form no part of the terms and conditions of coverage.

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# **AIG Financial Institutions Risk Protector<sup>SM</sup>**

## **DIRECTORS, OFFICERS AND PRIVATE FINANCIAL INSTITUTION LIABILITY COVERAGE SECTION ONE ("D&O COVERAGE SECTION")**

**Notice:** Pursuant to Clause 1 of the General Terms and Conditions, the General Terms and Conditions are incorporated by reference into, made a part of, and are expressly applicable to this Coverage Section, unless otherwise explicitly stated to the contrary in either the General Terms and Conditions or in this Coverage Section.

In consideration of the payment of the premium, and in reliance upon the statements made to the **Insurer** by application, including its attachments and the material incorporated therein, which form a part of this policy, the **Insurer** agrees as follows:

### **1. INSURING AGREEMENTS**

#### **COVERAGE A: INDIVIDUAL INSURED INSURANCE**

This policy shall pay the **Loss** of each and every **Individual Insured** arising from a **Claim** first made against such **Individual Insureds** during the **Policy Period** or the **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this policy for any **Wrongful Act** of such **Individual Insured**, except when and to the extent that the **Company** has indemnified such **Individual Insureds**. The **Insurer** shall, in accordance with Clause 5 of this **Coverage Section**, advance **Defense Costs** of such **Claim** prior to its final disposition.

#### **COVERAGE B: PRIVATE COMPANY INSURANCE**

This policy shall pay the **Loss** of the **Company** arising from a:

- (i) **Claim** first made against the **Company**, or
- (ii) **Claim** first made against an **Individual Insured**,

during the **Policy Period** or the **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this policy for any **Wrongful Act**, but, in the case of (ii) above, only when and to the extent that the **Company** has indemnified the **Individual Insured** for such **Loss**. The **Insurer** shall, in accordance with Clause 5 of this **Coverage Section**, advance **Defense Costs** of such **Claim** prior to its final disposition.

#### **COVERAGE C: INVESTIGATION COSTS FOR DERIVATIVE CLAIMS**

This policy shall pay the **Investigation Costs** of the **Company** arising from an **Investigation** in response to a **Derivative Demand** first made upon the **Company** during the **Policy Period** or the **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this policy. It shall be the duty of the **Company** and not the duty of the **Insurer** to conduct, investigate and evaluate any **Investigation** against its own **Directors and Officers**, provided that the **Insurer** shall be



entitled to effectively associate in the **Investigation** and in the evaluation and negotiation of any settlement of any such **Investigation**.

Nothing in this Coverage C shall be construed to afford coverage under this policy for any **Claim** brought by the **Company** against one or more of its own **Directors or Officers** other than **Investigation Costs** incurred in a covered **Investigation**. Payment of any **Investigation Costs** under this policy shall not waive any of the **Insurer's** rights under this policy or at law.

The **Company** shall be entitled to payment under this Coverage C of its covered **Investigation Costs** ninety (90) days after: (i) it has made its final decision not to bring a civil proceeding in a court of law against any of its **Director or Officers**, and (ii) such decision has been communicated to the **Complaining Shareholders**. Such payment shall be subject to an undertaking by the **Company**, in a form acceptable to the **Insurer**, that the **Company** shall return to the **Insurer** such payment in the event any **Company** or **Complaining Shareholders** bring a **Claim** alleging, arising out of, based upon or attributable to any **Wrongful Acts** which were the subject of the **Derivative Demand**.

No Retention amount is applicable to Coverage C.

## 2. DEFINITIONS

(a) "**Claim**" means:

- (1) a written demand for monetary, non-monetary or injunctive relief (including any request to toll or waive any statute of limitations); or
- (2) a civil, criminal, administrative, regulatory or arbitration proceeding for monetary, non-monetary or injunctive relief which is commenced by:
  - (i) service of a complaint or similar pleading; or
  - (ii) return of an indictment, information or similar document (in the case of a criminal proceeding); or
  - (iii) receipt or filing of a notice of charges.
- (3) a civil, criminal, administrative or regulatory investigation of an **Individual Insured**:
  - (i) once such **Individual Insured** is identified in writing by such investigating authority as a person against whom a proceeding described in paragraph (2) of this definition, may be commenced; or
  - (ii) in the case of an investigation by the SEC or a similar state or foreign government authority, after the service of a subpoena upon such **Individual Insured**.

The term "**Claim**" shall include any **Derivative Demand**, but solely with respect to the coverage provided under Coverage C.

(b) "**Individual Insured(s)**" means any:

- (1) **Director(s) or Officer(s)** of the **Company**;
- (2) **Employee(s)** of the **Company**; and
- (3) **Outside Entity Executive(s)**.

(c) "**Insured(s)**" mean:

- (1) any **Individual Insured**; and
- (2) the **Company**.

(d) **"Loss"** means damages, judgments (including pre-judgment and post-judgment interest on that part of any judgment paid under this **Coverage Section**), settlements and **Defense Costs**; however, **Loss** (other than **Defense Costs**) shall not include: (1) civil or criminal fines or penalties; (2) taxes; (3) any amount for which the **Insureds** are not financially liable or which are without legal recourse to the **Insureds**; and (4) matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed.

Notwithstanding the foregoing paragraph, **"Loss"** shall specifically include (subject to this policy's other terms, conditions and limitations, including but not limited to Exclusions (a) and (b) of this **Coverage Section** and Exclusion (a) of the General Terms and Conditions): (1) civil penalties assessed against any **Individual Insured** pursuant to Section 2(g) (2)(B) of the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-2(g)(2)(B); and (2) punitive, exemplary and multiple damages. Enforceability of this paragraph shall be governed by such applicable law that most favors coverage for such penalties and punitive, exemplary and multiple damages. For purposes of such coverage, "applicable law" includes, but is not limited to, the following jurisdictions: (a) where the **Wrongful Act** actually or allegedly took place; (b) where the damages are awarded; (c) where the **Named Entity** resides, is incorporated or has its principal place of business; and (d) where the **Insurer** is incorporated or has its principal place of business.

In the event of a **Claim** alleging that the price or consideration paid or proposed to be paid for the acquisition or completion of the acquisition of all or substantially all the ownership interest in or assets of an entity is inadequate, **Loss** with respect to such **Claim** shall not include any amount of any judgment or settlement representing the amount by which such price or consideration is effectively increased; provided, however, that this paragraph shall not apply to **Defense Costs** or to any **Non-Indemnifiable Loss** in connection therewith.

The term **"Loss"** shall include **Investigation Costs**, but solely with respect to the coverage provided by Coverage C.

(e) **"Securities Claim"** means a **Claim** (including a civil lawsuit or criminal proceeding brought by the Securities & Exchange Commission) made against an **Insured** anywhere in the world alleging a violation of any law, regulation or rule, whether statutory or common law, which is:

- (1) brought by any person or entity alleging, arising out of, based upon or attributable to, in part or in whole, the purchase or sale, or offer or solicitation of an offer to purchase or sell, any securities of the **Company**, or
- (2) brought by a security holder of the **Company**, whether directly, by class action, or derivatively on the behalf of the **Company**, or otherwise, with respect to such security holder's interest in securities of such **Company**.

(f) **"Settlement Opportunity"** means an **Insurer** recommended settlement that is within the **Policy Aggregate Limit of Liability** or **Separate Limit of Liability**, if any, and that is acceptable to the claimant, provided that the **Insureds** consent to such settlement within thirty (30) days of the

date the **Insureds** are first made aware of the **Settlement Opportunity**, or in the case of a **Settlement Opportunity** which arises from a settlement offer by the claimant, then within the time permitted by the claimant to accept such settlement offer, but in all events no later than thirty (30) days after the settlement offer was made.

- (g) "**Wrongful Act**" means any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act:
- (1) with respect to any **Director or Officer** or **Employee** of the **Company**, by such **Director or Officer** or **Employee** in his or her capacity as such or any matter claimed against such **Director or Officer** or **Employee** solely by reason of his or her status as such;
  - (2) with respect to any **Outside Entity Executive**, by such **Outside Entity Executive** in his or her capacity as such or any matter claimed against such **Outside Entity Executive** solely by reason of his or her status as such; or
  - (3) with respect to Coverage B(i), by the **Company**.

### 3. EXCLUSIONS

In addition to the exclusions set forth in Clause 4 of the General Terms and Conditions, the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured**:

- (a) arising out of, based upon or attributable to the committing of any deliberate criminal, fraudulent or dishonest act or any willful violation of any statute, rule or law by the **Insured**, if any final adjudication establishes that such deliberate criminal, fraudulent, dishonest act or willful violation of any statute, rule or law was committed;
- (b) arising out of, based upon or attributable to payments to an **Insured** of any remuneration without the previous approval of the stockholders of the **Company**, once any such unapproved payments shall be established by any final adjudication to have been illegal;
- (c) alleging, arising out of, based upon, or attributable to, directly or indirectly resulting from, in consequence of, or in any way involving, employment of any individual or any employment practice (including but not limited to wrongful dismissal, discharge or termination, discrimination, harassment, retaliation or other employment-related claim);
- (d) with respect to serving in a capacity as an **Outside Entity Executive**, for any **Wrongful Act** occurring prior to the **Continuity Date** if the **Insured** knew or could have reasonably foreseen that such **Wrongful Act** could lead to a **Claim** under this policy;
- (e) alleging, arising out of, based upon or attributable to, directly or indirectly, any actual or alleged act or omission of an **Individual Insured** serving in his or her capacity as a **Director or Officer** or **Employee** of any entity that is not the **Company** or an **Outside Entity**, or by reason of his or her status as a **Director or Officer** or **Employee** of such other entity;
- (f) for any **Wrongful Act** arising out of an **Individual Insured** serving in a capacity as an **Outside Entity Executive**, if such **Claim** is brought by the **Outside Entity** or a director, officer, trustee or governor thereof;

(g) alleging, arising out of, based upon or attributable to, directly or indirectly, the purchase by the **Company** of securities of a "publicly traded entity" in a transaction which resulted, or would result, in such entity becoming an **Affiliate** or **Subsidiary** of the **Company**; provided, however, this exclusion shall not apply in the event that within thirty (30) days prior to it becoming an **Affiliate** or **Subsidiary**, the **Named Entity** gives written notice of the transaction to the **Insurer** together with full particulars and underwriting information required and agrees to any additional premium or amendment of the provisions of this policy required by the **Insurer** relating to the transaction. Further, coverage as shall be afforded to the transaction is conditioned upon the **Named Entity** paying when due any additional premium required by the **Insurer** relating to the transaction. An entity is a "publicly traded entity" if any securities of such entity have previously been subject to a public offering;

(h) with respect to Coverage B(i) only:

- (1) for any actual or alleged plagiarism, misappropriation, infringement or violation of copyright, patent, trademark, trade secret or any other intellectual property rights;
- (2) alleging, arising out of, based upon or attributable to, directly or indirectly, any actual or alleged contractual liability of any **Insured** under any contract or agreement (either oral or written);
- (3) seeking fines or penalties or non-monetary relief against the **Company**; provided, however, that this subsection (3) shall not apply to any **Securities Claim**;

(i) which is brought by, on behalf of or in the right of, the **Company** or any **Individual Insured** other than an **Employee** who is not a **Director or Officer**; or which is brought by any security holder or member of the **Company**, whether directly or derivatively, unless such security holder's or member's **Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or active participation of, or intervention of, any **Individual Insured** of the **Company** or the **Company**; provided, however, this exclusion shall not apply to:

- (1) any **Claim** brought by an **Individual Insured** in the form of a cross-claim or third-party claim for contribution or indemnity which is part of, and results directly from a **Claim** that is covered by this policy;
- (2) any bankruptcy proceeding by or against a **Company**, any **Claim** brought by the examiner, trustee, receiver, liquidator or rehabilitator (or any assignee thereof) of such **Company**, if any;
- (3) any **Claim** brought by any past **Director or Officer** of a **Company** who has not served as a duly elected or appointed director, officer, trustee, governor, management committee member, member of the management board, general counsel or risk manager (or equivalent position) of or consultant for a **Company** for at least four (4) years prior to such **Claim** being first made against any person;
- (4) any **Claim** brought by a **Director or Officer** of a **Company** formed and operating in a **Foreign Jurisdiction** against such **Company** or any **Director or Officer** thereof, provided that such **Claim** is brought and maintained outside the United States, Canada or any other common law country (including any territories thereof); or
- (5) any **Securities Claim**, provided that such **Securities Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or active participation of, or intervention of, any **Company** or any **Director or Officer** of the **Company**; provided, however, solely with respect to this subsection (5), a **Director or Officer** of the **Company**

engaging in any protected activity specified in 18 U.S.C. 1514A(a) ("whistleblower" protection pursuant to the Sarbanes-Oxley Act of 2002) or any protected activity specified in any other "whistleblower" protection pursuant to any similar state, local or foreign securities laws shall not be deemed to trigger this exclusion.

Notwithstanding the forgoing exception, this Exclusion (i) shall apply where the actions of any **Director or Officer** of the **Company** includes the filing of any proceeding or voluntarily testifying, voluntarily participating in or voluntarily assisting (other than de minimis assistance) in the filing or prosecution of any proceeding against an **Insured** relating to any violation of any rule or regulation of the Securities and Exchange Commission or any similar provision of any federal, state, local or foreign rule or law relating to fraud against shareholders, other than such actions in connection with a proceeding that is brought by the Securities and Exchange Commission, any similar state, local or foreign regulatory body that regulates securities, or any state, local or foreign law enforcement authority;

- (j) alleging, arising out of, based upon or attributable to, directly or indirectly, any **Insured(s)**' performance of or failure to perform professional services for others for a fee, or any act(s), error(s) or omission(s) relating thereto;
- (k) for emotional distress, or for injury from libel or slander, or defamation or disparagement, or for injury from a violation of a person's right of privacy; provided, however, that this exclusion shall not apply to any **Securities Claim**; or
- (l) alleging, arising out of, based upon or attributable to, directly or indirectly, any public offering of securities by the **Company**, an **Outside Entity** or an **Affiliate** or alleging a purchase or sale of such securities subsequent to such public offering;

provided, however, that this exclusion shall not apply to:

- (1) any purchase or sale of securities exempted pursuant to Section 3(b) of the Securities Act of 1933. Coverage for such purchase or sale transaction shall not be conditioned upon payment of any additional premium; however, the **Named Entity** shall give the **Insurer** written notice of any public offering exempted pursuant to Section 3(b), together with full particulars and as soon as practicable, but not later than thirty (30) days after the effective date of the public offering; or
- (2) any public offering of securities (other than a public offering described in subsection (1) above), as well as any purchase or sale of such securities subsequent to such public offering, in the event that within thirty (30) days prior to the effective time of such public offering: (i) the **Named Entity** shall give the **Insurer** written notice of such public offering together with full particulars and underwriting information required thereto, and (ii) the **Named Entity** accepts such terms, conditions and additional premium required by the **Insurer** for such coverage. Such coverage is also subject to the **Named Entity** paying when due any such additional premium. In the event the **Company** gives written notice with full particulars and underwriting information pursuant to (i) above, then the **Insurer** must offer a quote for coverage under this subsection (2).

For the purpose of determining the applicability of the foregoing Exclusions 3(a) and 3(b): (1) the facts pertaining to and knowledge possessed by any **Insured** shall not be imputed to any other



**Individual Insured**; and (2) facts pertaining to and knowledge possessed by any past, present or future chairman of the board, president, chief executive officer, chief operating officer, chief financial officer or general counsel (or equivalent positions) of the **Company** shall be imputed only to the **Company**.

#### 4. LIMIT OF LIABILITY

Clause 5 of the General Terms and Conditions is modified to the extent necessary to provide the following:

The maximum limit of the **Insurer's** liability for **Investigation Costs** arising from all **Investigations** combined occurring during the **Policy Period** or the **Discovery Period** (if applicable), in the aggregate, shall be the amount stated in Item 5(b) of the Declarations (hereinafter, "**Derivative Investigation Sublimit of Liability**"). The **Derivative Investigation Sublimit of Liability** shall be the aggregate limit of the **Insurer's** liability under this policy regardless of the number of such **Investigations** occurring during the **Policy Period** or the **Discovery Period** (if applicable), or the number of **Directors or Officers** subject to such **Investigations**. Provided, however, that the **Derivative Investigation Sublimit of Liability** shall be part of and not in addition to the **Policy Aggregate Limit of Liability** stated in Item 5(a) of the Declarations or any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this **Coverage Section** as stated in Item 3 of the Declarations, and will in no way serve to increase the **Insurer's Policy Aggregate Limit of Liability** or any **Separate Limit of Liability** or **Shared Limit of Liability** as stated therein.

#### 5. DEFENSE COSTS, SETTLEMENTS, JUDGMENTS (INCLUDING THE ADVANCEMENT OF DEFENSE COSTS)

The **Insurer** does not assume any duty to defend. The **Insureds** shall defend and contest any **Claim** made against them.

Notwithstanding the foregoing, the **Insureds** shall have the right to tender the defense of any **Claim** to the **Insurer**, which right shall be exercised in writing by the **Named Entity** on behalf of all **Insureds** to the **Insurer** pursuant to the notice provisions of Clause 7 of the General Terms and Conditions. This right shall terminate if not exercised within thirty (30) days of the date the **Claim** is first made against an **Insured**, pursuant to Clause 7 of the General Terms and Conditions. Further, from the date the **Claim** is first made against the **Insureds** to the date when the **Insurer** accepts the tender of the defense of such **Claim**, the **Insureds** shall take no action, or fail to take any required action, that prejudices the rights of the **Insureds** or the **Insurer** with respect to such **Claim**. Provided that the **Insureds** have complied with the foregoing, the **Insurer** shall be obligated to assume the defense of the **Claim**, even if such **Claim** is groundless, false or fraudulent. The assumption of the defense of the **Claim** shall be effective upon written confirmation sent thereof by the **Insurer** to the **Named Entity**. Once the defense has been so tendered, the **Insured** shall have the right to effectively associate with the **Insurer** in the defense and negotiation of any settlement of any **Claim**, subject to the provisions of this Clause 5. However, the **Insurer** shall not be obligated to defend such **Claim** after the **Policy Aggregate Limit of Liability** or **Separate Limit of Liability** or **Shared Limit of Liability**, if any, has been exhausted, or after an **Insured's** rejection of a **Settlement Opportunity**.

When the **Insurer** has not assumed the defense of a **Claim** pursuant to this Clause 5, the **Insurer** shall advance nevertheless, at the written request of the **Insured**, **Defense Costs** prior to the final disposition of a **Claim**. Such advanced payments by the **Insurer** shall be repaid to the **Insurer** by the

**Insureds** or the **Company**, severally according to their respective interests, in the event and to the extent that the **Insureds** or the **Company** shall not be entitled under the terms and conditions of this policy to payment of such **Loss**.

The **Insureds** shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment, or incur any **Defense Costs** without the prior written consent of the **Insurer**. Only those settlements, stipulated judgments and **Defense Costs**, which have been consented to by the **Insurer**, in writing, shall be recoverable as **Loss** under the terms of this policy. The **Insurer's** consent shall not be unreasonably withheld, provided that the **Insurer**, when it has not assumed the defense of a **Claim** pursuant to this Clause 5, shall be entitled to fully and effectively associate in the defense and negotiation of any settlement of any **Claim**, and provided further that in all events the **Insurer** may withhold consent to any settlement, stipulated judgment or **Defense Costs**, or any portion thereof, to the extent such **Loss** is not covered under the terms of this policy.

The **Insurer** shall have the right to fully and effectively associate with the **Company** in the defense of any **Claim** that appears reasonably likely to involve the **Insurer**, including but not limited to negotiating a settlement. The **Company** and the **Insureds** shall give the **Insurer** full cooperation and such information as it may reasonably require.

In the event the **Insureds** do not consent to the first **Settlement Opportunity**, then, subject to the **Policy Aggregate Limit of Liability** and **Separate Limit of Liability** or **Shared Limit of Liability**, if any, the **Insurer's** liability for all **Loss** on account of such **Claim** shall not exceed: (1) the amount for which the **Insurer** could have settled such **Claim** plus **Defense Costs** incurred as of the date such settlement was proposed in writing by the **Insurer** ("**Settlement Opportunity Amount**"), plus (2) 60% of covered **Loss** in excess of such **Settlement Opportunity Amount**, it being a condition of this insurance that the remaining 40% of such **Loss** excess of the **Settlement Opportunity Amount** shall be carried by the **Company** and the **Insureds** at their own risk and be uninsured. Notwithstanding the foregoing, this paragraph shall not apply until the **Settlement Opportunity Amount** exceeds the applicable Retention amount stated in Item 3 of the Declarations.

With respect to: (i) **Defense Costs** jointly incurred by, (ii) any joint settlement entered into by, or (iii) any judgment of joint and several liability against the **Company** and any **Individual Insured** in connection with any **Claim**, there shall be a fair and equitable allocation as between the **Company** and any such **Individual Insured**, taking into account the relative legal and financial exposures and the relative benefits obtained by any such **Individual Insured** and the **Company**, without any presumption that the coverage afforded to the **Individual Insured** shall in any way reduce the allocation to the **Company** which shall not be insured for such allocation. In the event that a determination as to the amount of **Defense Costs** to be advanced under the policy cannot be agreed to, then the **Insurer** shall advance **Defense Costs** excess of any applicable Retention amount which the **Insurer** states to be fair and equitable until a different amount shall be agreed upon or determined pursuant to the provisions of this policy and applicable law.

This Clause 5 shall not be applicable to **Costs of Investigation**.

## 6. PRE-AUTHORIZED DEFENSE ATTORNEYS

This Clause 6 applies only to **Securities Claims**. Affixed as Appendix DO-1 hereto and made a part of this policy is a list of panel counsel law firms (herein "**Panel Counsel Firms**") from which a selection

of legal counsel shall be made to conduct the defense of any **Securities Claim** against any **Insured** pursuant to the terms set forth below.

In the event the **Insurer** has assumed the defense pursuant to Clause 5, then the **Insurer** shall select a **Panel Counsel Firm** to defend the **Insureds**. In the event the **Insureds** are already defending a **Claim**, then the **Insureds** shall select a **Panel Counsel Firm** to defend the **Insureds**.

The selection of the **Panel Counsel Firm**, whether done by the **Insurer** or the **Insureds**, shall be from the list of **Panel Counsel Firms** and be from the jurisdiction in which the **Claim** is brought. In the event a **Securities Claim** is brought in a jurisdiction not included on the appropriate list, the selection shall be made from a listed jurisdiction which is the nearest geographic jurisdiction to either where the **Securities Claim** is maintained or where the corporate headquarters or state of formation of the **Named Entity** is located. In such instance, however, the **Insurer** shall, at the written request of the **Named Entity** assign a non-**Panel Counsel Firm** of the **Insurer's** choice in the jurisdiction in which the **Securities Claim** is brought to function as "local counsel" on the **Claim** to assist the **Panel Counsel Firm**, which will function as "lead counsel" in conducting the defense of the **Securities Claim**.

With the express prior written consent of the **Insurer**, an **Insured** may select (in the case of the **Insured** defending the **Securities Claim**), or cause the **Insurer** to select (in the case of the **Insurer** defending the **Securities Claim**), a **Panel Counsel Firm** different from that selected by other **Insured** defendants if such selection is required due to an actual conflict of interest.

The list of **Panel Counsel Firms** may be amended from time to time by the **Insurer**. However, no change shall be made to the specific list attached to this policy during the **Policy Period** without the consent of the **Named Entity**.

## 7. REPRESENTATIONS AND SEVERABILITY

In granting coverage under this **Coverage Section**, it is agreed that the **Insurer** has relied upon the statements, warranties and representations contained in the application for this policy (including materials submitted thereto and, if this is a renewal application, all such previous policy applications for which this policy is a renewal) as being accurate and complete. All such statements, warranties and representations are the basis for this **Coverage Section** and are to be considered as incorporated into this **Coverage Section**.

The **Insureds** agree that in the event that such statements, warranties and representations are not accurate and complete and materially affect either the acceptance of the risk or the hazard assumed by the **Insurer** under the policy, then this **Coverage Section** shall be void *ab initio* solely with respect to any of the following **Insureds**:

- (a) solely with respect to **Loss** other than **Non-Indemnifiable Loss**, any **Individual Insured** who knew as of the inception date of the **Policy Period** the facts that were not accurately and completely disclosed in the application;
- (b) a **Company**, under Clause 1. Insuring Agreements, COVERAGE B(ii), to the extent it indemnifies any **Individual Insured** referenced in (a) above; and
- (c) a **Company**, under Clause 1. Insuring Agreement, COVERAGE B(i), if any past or present chief executive officer, chief financial officer or general counsel (or any equivalent position) of the **Company** knew as of the inception date of the **Policy Period**, the facts that were not accurately and completely disclosed in the application;



whether or not such **Individual Insured** knew that such facts were not accurately and completely disclosed in the application.

Except as provided in (a) through (c) above, no **Individual Insured's** knowledge shall be imputed to any other **Insured**.

Solely with respect to any **Non-Indemnifiable Loss** of any **Individual Insured**, under no circumstances shall the coverage provided by this **Coverage Section** be deemed void, whether by rescission or otherwise, but such coverage will be subject to all other terms, conditions and exclusions of the policy.

## 8. ORDER OF PAYMENTS

In the event of **Loss** arising from a covered **Claim** for which payment is due under the provisions of this **Coverage Section**, then the **Insurer** shall in all events:

- (a) first, pay **Loss** for which coverage is provided under Coverage A of this **Coverage Section**; then
- (b) only after payment of **Loss** has been made pursuant to Clause 8(a) above, with respect to whatever remaining amount of the **Policy Aggregate Limit of Liability** or **Separate Limit of Liability** or **Shared Limit of Liability**, if any, is available after such payment, at the written request of the **Named Entity**, either pay or withhold payment of such other **Loss** for which coverage is provided under Coverage B(ii) of this **Coverage Section**; and then
- (c) only after payment of **Loss** has been made pursuant to Clause 8(a) and Clause 8(b) above, with respect to whatever remaining amount of the **Policy Aggregate Limit of Liability** or **Separate Limit of Liability** or **Shared Limit of Liability**, if any, is available after such payment, at the written request of the **Named Entity**, either pay or withhold payment of such other **Loss** for which coverage is provided under Coverages B(i) and C of this **Coverage Section**.

In the event the **Insurer** withholds payment pursuant to Clause 8(b) and/or Clause 8(c) above, then the **Insurer** shall at such time and in such manner as shall be set forth in written instructions of the **Named Entity** remit such payment to the **Company** or directly to or on behalf of an **Individual Insured**.

The bankruptcy or insolvency of any **Company** or any **Individual Insured** shall not relieve the **Insurer** of any of its obligations to prioritize payment of covered **Loss** under this policy pursuant to this Clause 8.

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# **AIG Financial Institutions Risk Protector<sup>SM</sup>**

## **Directors, Officers And Public Financial Institution Liability Coverage Section One ("D&O COVERAGE SECTION")**

**Notice:** Pursuant to Clause 1 of the General Terms and Conditions, the General Terms and Conditions are incorporated by reference into, made a part of, and are expressly applicable to this Coverage Section, unless otherwise explicitly stated to the contrary in either the General Terms and Conditions or in this Coverage Section.

The following provisions of the General Terms and Conditions do not apply to this Coverage Section: Clause 2 (Definitions (l) and (o), and Clause 4 Exclusion (d)).

In consideration of the payment of the premium, and in reliance upon the **Application** and the statements therein, which form a part of this policy, the **Insurer** agrees as follows:

### **1. INSURING AGREEMENTS**

With respect to Coverage A, B and C, solely with respect to **Claims** first made against an **Insured** during the **Policy Period** or the **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this policy, and subject to the other terms, conditions and limitations of this policy, this policy affords the following coverage:

#### **COVERAGE A: DIRECTORS AND OFFICERS LIABILITY INSURANCE**

This policy shall pay the **Loss** of any **Individual Insured** arising from a **Claim** made against such **Individual Insured** for any **Wrongful Act** of such **Individual Insured**, except when and to the extent that a **Company** has indemnified such **Individual Insured**. Coverage A shall not apply to **Loss** arising from a **Claim** made against an **Outside Entity Executive**.

#### **COVERAGE B: PUBLIC COMPANY INSURANCE**

- (i) **Company Liability:** This policy shall pay the **Loss** of any **Company** arising from a **Securities Claim** made against such **Company** for any **Wrongful Act** of such **Company**.
- (ii) **Indemnification of an Individual Insured:** This policy shall pay the **Loss** of a **Company** arising from a **Claim** made against an **Individual Insured** (including an **Outside Entity Executive**) for any **Wrongful Act** of such **Individual Insured**, but only to the extent that such **Company** has indemnified such **Individual Insured**.

#### **COVERAGE C: OUTSIDE ENTITY EXECUTIVE LIABILITY INSURANCE**

This policy shall pay the **Loss** of any **Outside Entity Executive** arising from a **Claim** made against such **Outside Entity Executive** for any **Wrongful Act** of such **Outside Entity Executive** but only excess of any indemnification provided by an **Outside Entity** and any insurance coverage afforded

to an **Outside Entity** or its **Directors or Officers** applicable to such **Claim**, except when and to the extent that a **Company** has indemnified such **Outside Entity Executive**.

#### **COVERAGE D: CRISISFUND® INSURANCE**

This policy shall pay the **Crisis Loss** (including **Delisting Crisis Loss**) of a **Company** solely with respect to a **Crisis** (including a **Delisting Crisis**) occurring during the **Policy Period** or the **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this policy, up to the amount of the respective **CrisisFund®**, from first dollar; provided that payment of any **Crisis Loss** under this policy shall not waive any of the **Insurer's** rights under this policy or at law. This Coverage D shall apply regardless of whether a **Claim** is ever made against an **Insured** arising from such **Crisis** and, in the case where a **Claim** is made, regardless of whether the amount is incurred prior to or subsequent to the making of the **Claim**.

No Retention amount is applicable to Coverage D.

#### **COVERAGE E: INVESTIGATION COSTS FOR DERIVATIVE CLAIMS**

This policy shall pay the **Investigation Costs** of the **Company** arising from an **Investigation** in response to a **Derivative Demand** first made upon the **Company** during the **Policy Period** or the **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this policy.

It shall be the duty of the **Company** and not the duty of the **Insurer** to conduct, investigate and evaluate any **Investigation** against its own **Directors and Officers**, provided that the **Insurer** shall be entitled to effectively associate in the **Investigation** and in the evaluation and negotiation of any settlement of any such **Investigation**.

Nothing in this Coverage E shall be construed to afford coverage under this policy for any **Claim** brought by the **Company** against one or more of its own **Directors or Officers** other than **Investigation Costs** incurred in a covered **Investigation**. Payment of any **Investigation Costs** under this policy shall not waive any of the **Insurer's** rights under this policy or at law.

The **Company** shall be entitled to payment under this Coverage E of its covered **Investigation Costs** ninety (90) days after: (i) it has made its final decision not to bring a civil proceeding in a court of law against any of its **Directors or Officers**, and (ii) such decision has been communicated to the **Complaining Shareholders**. Such payment shall be subject to an undertaking by the **Company**, in a form acceptable to the **Insurer**, that the **Company** shall return to the **Insurer** such payment in the event any **Company** or **Complaining Shareholders** bring a **Claim** alleging, arising out of, based upon or attributable to any **Wrongful Acts** which were the subject of the **Derivative Demand**.

No Retention amount is applicable to Coverage E.

## **2. DEFINITIONS**

- (a) **"Application"** means each and every signed application, any attachments to such applications, other materials submitted therewith or incorporated therein and any other documents submitted in connection with the underwriting of this policy or the underwriting of any other directors and

officers (or equivalent) liability policy issued by the **Insurer**, or any of its affiliates, of which this policy is a renewal, replacement or which it succeeds in time; and any public documents filed by a **Company** with the Securities and Exchange Commission (SEC) (or any similar federal, state, local or foreign regulatory agency) prior to the inception date of this policy, including, but not limited to, the **Company's** Annual Report(s), 10Ks, 10Qs, 8Ks and proxy statements and certifications relating to the accuracy of the foregoing.

(b) "**Claim**" means:

- (1) a written demand for monetary, non-monetary or injunctive relief;
- (2) a civil, criminal, administrative, regulatory or arbitration proceeding for monetary, non-monetary or injunctive relief which is commenced by: (i) service of a complaint or similar pleading; (ii) return of an indictment, information or similar document (in the case of a criminal proceeding); or (iii) receipt or filing of a notice of charges; or
- (3) a civil, criminal, administrative or regulatory investigation of an **Individual Insured**:
  - (i) once such **Individual Insured** is identified in writing by such investigating authority as a person against whom a proceeding described in Definition (b)(2) may be commenced; or
  - (ii) in the case of an investigation by the SEC or a similar state or foreign government authority, after the service of a subpoena upon such **Individual Insured**.

The term "**Claim**" shall include any **Securities Claim** and any **Employment Practices Claim**.

The term "**Claim**" shall also include any **Derivative Demand**, but solely with respect to the coverage provided under Coverage E.

(c) "**Crisis**" has the meaning as defined in Appendix DO PUB-1 attached to this policy.

(d) "**CrisisFund®**" means:

- (1) in the case of all **Crisis Loss**, other than **Delisting Crisis Loss**, the dollar amount set forth in Item 5(c) of the Declarations; and
- (2) in the case of **Delisting Crisis Loss**, the dollar amount set forth in Item 5(c) of the Declarations plus the additional dollar amount set forth in Item 5(d) of the Declarations, combined.

(e) "**Crisis Loss**" has the meaning as defined in Appendix DO PUB-1 attached to this policy. "**Delisting Crisis Loss**" means a **Crisis Loss** resulting solely from a **Delisting Crisis** (as defined in Appendix DO PUB-1).

(f) "**Director(s) or Officer(s)**" means any:

- (1) past, present and future duly elected or appointed director, officer, trustee or governor of a corporation, management committee member of a joint venture and member of the management board of a limited liability company (or equivalent position);
- (2) past, present and future person in a duly elected or appointed position in an entity organized and operated in a **Foreign Jurisdiction** that is equivalent to an executive position listed in Definition (f)(1); or
- (3) past, present and future general counsel and risk manager (or equivalent position) of the

**Named Entity.**

- (g) **"Employee(s)"** means any past, present or future employee, other than a **Director** or **Officer** of a **Company**, whether such employee is in a supervisory, co-worker or subordinate position or otherwise, including any full-time, part-time, seasonal and temporary employee.
- (h) **"Employment Practices Claim"** means a **Claim** alleging any **Employment Practices Violation**.
- (i) **"Employment Practices Violation"** means any actual or alleged:
  - (1) wrongful dismissal, discharge or termination, either actual or constructive, of employment;
  - (2) harassment (including but not limited to sexual harassment);
  - (3) discrimination;
  - (4) **Retaliation**;
  - (5) employment-related misrepresentation;
  - (6) employment-related libel, slander, humiliation, defamation or invasion of privacy;
  - (7) wrongful failure to employ or promote;
  - (8) wrongful deprivation of career opportunity, wrongful demotion or negligent **Employee** evaluation;
  - (9) wrongful discipline;
  - (10) failure to grant tenure; or
  - (11) with respect to any of the foregoing items (1) through (10) of this definition: negligent hiring, retention, training or supervision, infliction of emotional distress, failure to provide or enforce adequate or consistent corporate policies and procedures, or violation of an individual's civil rights,

but only if such act, error or omission relates to a **Director** or **Officer** of, an **Employee** of or an applicant for employment with a **Company** or an **Outside Entity**, whether committed directly, indirectly, intentionally or unintentionally. In addition, with respect to any natural person customer or client, **"Employment Practices Violation"** shall mean only actual or alleged sexual harassment or violation of an individual's civil rights relating to such sexual harassment, whether committed directly, indirectly, intentionally or unintentionally.

- (j) **"Foreign Policy"** means the **Insurer's** or any other company of American International Group, Inc.'s (AIG) standard executive managerial liability policy (including all mandatory endorsements, if any) approved by AIG to be sold within a **Foreign Jurisdiction** that provides coverage substantially similar to the coverage afforded under this policy. If more than one such policy exists, then **"Foreign Policy"** means the standard policy most recently registered in the local language of the **Foreign Jurisdiction**, or if no such policy has been registered, then the policy most recently registered in that **Foreign Jurisdiction**. The term **"Foreign Policy"** shall not include any partnership managerial, pension trust or professional liability coverage.
- (k) **"Individual Insured(s)"** means any:
  - (1) **Director(s) or Officer(s)** of a **Company**;
  - (2) **Employee** of a **Company**; or
  - (3) **Outside Entity Executive**.

(l) **"Insured(s)"** means any:

- (1) **Individual Insured**; or
- (2) **Company**, but only with respect to a **Securities Claim**.

(m) **"Loss"** means damages, settlements, judgments (including pre/post-judgment interest on a covered judgment), **Defense Costs** and **Crisis Loss**; however, **"Loss"** (other than **Defense Costs**) shall not include: (1) civil or criminal fines or penalties; (2) taxes; (3) punitive or exemplary damages; (4) the multiplied portion of multiplied damages; (5) any amounts for which an **Insured** is not financially liable or which are without legal recourse to an **Insured**; and (6) matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed.

Notwithstanding the foregoing paragraph, **Loss** shall specifically include (subject to this policy's other terms, conditions and limitations, including but not limited to Exclusions (a) and (b) of this **Coverage Section** and Exclusion (a) of the General Terms and Conditions): (1) civil penalties assessed against any **Individual Insured** pursuant to Section 2(g) (2)(B) of the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-2(g)(2)(B); and (2) solely with respect to **Securities Claims**, punitive, exemplary and multiplied damages. Enforceability of this paragraph shall be governed by such applicable law that most favors coverage for such penalties and punitive, exemplary and multiple damages.

In the event of a **Claim** alleging that the price or consideration paid or proposed to be paid for the acquisition or completion of the acquisition of all or substantially all the ownership interest in or assets of an entity is inadequate, **Loss** with respect to such **Claim** shall not include any amount of any judgment or settlement representing the amount by which such price or consideration is effectively increased; provided, however, that this paragraph shall not apply to **Defense Costs** or to any **Non-Indemnifiable Loss** in connection therewith.

The term **"Loss"** shall include **Investigation Costs**, but solely with respect to the coverage provided by Coverage E.

(n) **"Securities Claim"** means a **Claim**, other than an administrative or regulatory proceeding against, or investigation of a **Company**, made against any **Insured**:

- (1) alleging a violation of any federal, state, local or foreign regulation, rule or statute regulating securities (including but not limited to the purchase or sale or offer or solicitation of an offer to purchase or sell securities) which is:
  - (a) brought by any person or entity alleging, arising out of, based upon or attributable to the purchase or sale or offer or solicitation of an offer to purchase or sell any securities of a **Company**; or
  - (b) brought by a security holder of a **Company** with respect to such security holder's interest in securities of such **Company**; or
- (2) brought derivatively on the behalf of a **Company** by a security holder of such **Company**.

Notwithstanding the foregoing, the term **"Securities Claim"** shall include an administrative or



regulatory proceeding against a **Company**, but only if and only during the time that such proceeding is also commenced and continuously maintained against an **Individual Insured**.

(o) **"Wrongful Act"** means:

- (1) any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act or any actual or alleged **Employment Practices Violation**:
  - (i) with respect to any **Director** or **Officer** of a **Company**, by such **Director** or **Officer** in his or her capacity as such or any matter claimed against such **Director** or **Officer** solely by reason of his or her status as such;
  - (ii) with respect to any **Employee** of a **Company**, by such **Employee** in his or her capacity as such, but solely in regard to any: (a) **Securities Claim**; or (b) other **Claim** so long as such other **Claim** is also made and continuously maintained against a **Director** or **Officer** of a **Company**; or
  - (iii) with respect to any **Outside Entity Executive**, by such **Outside Entity Executive** in his or her capacity as such or any matter claimed against such **Outside Entity Executive** solely by reason of his or her status as such; or
- (2) with respect to a **Company**, any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act by such **Company**, but solely in regard to a **Securities Claim**.

### 3. WORLDWIDE EXTENSION

Where legally permissible, this policy shall apply to any **Claim** made against any **Insured** anywhere in the world.

In regard to **Claims** brought and maintained solely in a **Foreign Jurisdiction** against a **Company** formed and operating in such **Foreign Jurisdiction** or an **Individual Insured** thereof for **Wrongful Acts** committed in such **Foreign Jurisdiction**, the **Insurer** shall apply to such **Claim(s)** those terms and conditions (and related provisions) of the **Foreign Policy** registered with the appropriate regulatory body in such **Foreign Jurisdiction** that are more favorable to such **Insured** than the terms and conditions of this policy. However, this paragraph shall apply only to Clauses 1-4, 8 and 21 of this **Coverage Section**, 2-4, 8-11, 13, 14 and 16 of the General Terms and Conditions, and the comparable provisions of the **Foreign Policy**. In addition, this paragraph shall not apply to the non-renewal or claims made and reported provisions of any policy.

All premiums, limits, retentions, **Loss** and other amounts under this policy are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is denominated or other elements of **Loss** are stated or incurred in a currency other than United States of America dollars, payment of covered **Loss** due under this policy (subject to the terms, conditions and limitations of this policy) will be made either in such other currency (at the option of the **Insurer** and if agreeable to the **Named Entity**) or, in United States of America dollars, at the rate of exchange published in The Wall Street Journal on the date the **Insurer's** obligation to pay such **Loss** is established (or if not published on such date the next publication date of The Wall Street Journal).

### 4. EXCLUSIONS

In addition to the exclusions set forth in Clause 4 of the General Terms and Conditions, the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured**:

- (a) arising out of, based upon or attributable to payments to an **Insured** of any remuneration without the previous approval of the stockholders or members of a **Company**, once any such unapproved payments shall be established by any final adjudication to have been illegal;
- (b) arising out of, based upon or attributable to the committing of any deliberate criminal or deliberate fraudulent act by the **Insured** if any final adjudication establishes that such deliberate criminal or deliberate fraudulent act was committed;
- (c) with respect to any **Outside Entity Executive**, for any **Wrongful Act** occurring prior to the **Continuity Date** if any **Insured**, as of such **Continuity Date**, knew or could have reasonably foreseen that such **Wrongful Act** could lead to a **Claim** under this policy;
- (d) alleging, arising out of, based upon or attributable to any actual or alleged act or omission of an **Individual Insured** serving in his or her capacity as a **Director** or **Officer** or an **Employee** of any entity that is not a **Company** or an **Outside Entity**, or by reason of his or her status as a **Director** or **Officer** or an **Employee** of such other entity;
- (e) for any **Wrongful Act** arising out of the **Individual Insured** serving as a **Director** or **Officer** of an **Outside Entity** if such **Claim** is brought by the **Outside Entity** or by any **Director** or **Officer** thereof; or which is brought by any security holder of the **Outside Entity**, whether directly or derivatively, unless such security holder's **Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or active participation of, or intervention of the **Outside Entity**, any **Director** or **Officer** of the **Outside Entity** or a **Company** or any **Director** or **Officer** of a **Company**;
- (f) alleging, arising out of, based upon or attributable to, directly or indirectly: (i) the actual, alleged or threatened discharge, dispersal, release or escape of **Pollutants**; or (ii) any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**, (including but not limited to a **Claim** alleging damage to a **Company** or its securities holders); provided, however, that this exclusion shall not apply to **Non-Indemnifiable Loss**, other than **Non-Indemnifiable Loss** constituting **Cleanup Costs**;
- (g) for emotional distress of any person, or for injury from libel, slander, defamation or disparagement, or for injury from a violation of a person's right of privacy; provided, however, this exclusion shall not apply to an **Employment Practices Claim**;
- (h) alleging, arising out of, based upon or attributable to, directly or indirectly, any **Insured(s)**' performance of or failure to perform professional services for others for a fee, or any act(s), error(s) or omissions(s) relating thereto; or
- (i) which is brought by or on behalf of a **Company** or any **Individual Insured**, other than an **Employee** of a **Company**; or which is brought by any security holder or member of a **Company**, whether directly or derivatively, unless such security holder's or member's **Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or active



participation of, or intervention of, any **Director** or **Officer** of a **Company** or any **Company**; provided, however, this exclusion shall not apply to:

- (1) any **Claim** brought by an **Individual Insured** in the form of a cross-claim or third-party claim for contribution or indemnity which is part of, and results directly from, a **Claim** that is covered by this policy;
- (2) any **Employment Practices Claim** brought by an **Individual Insured**, other than an **Individual Insured** who is or was a member of the Board of Directors (or equivalent governing body) of a **Company**;
- (3) in any bankruptcy proceeding by or against a **Company**, any **Claim** brought by the examiner, trustee, receiver, liquidator or rehabilitator (or any assignee thereof) of such **Company**, if any;
- (4) any **Claim** brought by any past **Director** or **Officer** of a **Company** who has not served as a duly elected or appointed director, officer, trustee, governor, management committee member, member of the management board, general counsel or risk manager (or equivalent position) of or consultant for a **Company** for at least four (4) years prior to such **Claim** being first made against any person; or
- (5) any **Claim** brought by a **Director** or **Officer** of a **Company** formed and operating in a **Foreign Jurisdiction** against such **Company** or any **Director** or **Officer** thereof, provided that such **Claim** is brought and maintained outside the United States, Canada or any other common law country (including any territories thereof).

For the purpose of determining the applicability of the foregoing Exclusions 4(a) through 4(c): (1) the facts pertaining to and knowledge possessed by any **Insured** shall not be imputed to any other **Individual Insured**; and (2) only facts pertaining to and knowledge possessed by any past, present or future chairman of the board, president, chief executive officer, chief operating officer, chief financial officer or general counsel (or equivalent position) of a **Company** shall be imputed to a **Company**.

This Clause 4, Exclusions, shall not be applicable to **Crisis Loss**.

## 5. LIMIT OF LIABILITY

Clause 5 of the General Terms and Conditions is modified to the extent necessary to provide the following:

The maximum limit of the **Insurer's** liability for **Crisis Loss** and **Delisting Loss** arising from all **Crises** occurring during the **Policy Period** or the **Discovery Period** (if applicable), in the aggregate, shall be the amounts set forth as the **CrisisFund<sup>sm</sup>**. The **CrisisFund<sup>sm</sup>** shall be the aggregate limit of the **Insurer's** liability for all **Crises** under this policy regardless of the number of **Crises** occurring during the **Policy Period** or the **Discovery Period** (if applicable). The **CrisisFund<sup>®</sup>** shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** stated in Item 5(a) of the Declarations of this policy or any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this **Coverage Section** as stated in Item 3 of the Declarations, and will in no way serve to increase the **Insurer's Policy Aggregate Limit of Liability** or any **Separate Limit of Liability** or **Shared Limit of Liability** as stated therein.

The maximum limit of the **Insurer's** liability for **Investigation Costs** arising from all **Investigations** combined occurring during the **Policy Period** or the **Discovery Period** (if applicable), in the aggregate,

shall be the amount stated in Item 5(b) of the Declarations (hereinafter, "**Derivative Investigation Sublimit of Liability**"). The **Derivative Investigation Sublimit of Liability** shall be the aggregate limit of the **Insurer's** liability under this policy regardless of the number of such **Investigations** occurring during the **Policy Period** or the **Discovery Period** (if applicable), or the number of **Directors or Officers** subject to such **Investigations**. Provided, however, that the **Derivative Investigation Sublimit of Liability** shall be part of and not in addition to the **Policy Aggregate Limit of Liability** stated in Item 5(a) of the Declarations or any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this **Coverage Section** as stated in Item 3 of the Declarations, and will in no way serve to increase the **Insurer's Policy Aggregate Limit of Liability** or any **Separate Limit of Liability** or **Shared Limit of Liability** as stated therein.

## 6. NOTICE/CLAIM REPORTING PROVISIONS

Clause 7 of the General Terms and Conditions is modified to the extent necessary to provide the following:

The **Company** or the **Insureds** shall, as a condition precedent to the obligations of the **Insurer** under this policy, give written notice to the **Insurer** of a **Crisis** as soon as practicable after the **Crisis** commences, and either:

- (1) any time during the **Policy Period** or during the **Discovery Period** (if applicable); or
- (2) within forty-five (45) days after the end of the **Policy Period** or the **Discovery Period** (if applicable), as long as such **Claim** was first made against an **Insured** within the final thirty (30) days of the **Policy Period** or the **Discovery Period** (if applicable).

## 7. DEFENSE COSTS, SETTLEMENTS, JUDGMENTS (INCLUDING THE ADVANCEMENT OF DEFENSE COSTS)

Under Coverages A, B and C of this **Coverage Section**, except as hereinafter stated, the **Insurer** shall advance, excess of any applicable retention amount, covered **Defense Costs** no later than ninety (90) days after the receipt by the **Insurer** of such defense bills. Such advance payments by the **Insurer** shall be repaid to the **Insurer** by each and every **Insured** or **Company**, severally according to their respective interests, in the event and to the extent that any such **Insured** or **Company** shall not be entitled under this policy to payment of such **Loss**.

*The **Insurer** does not, however, under this policy, assume any duty to defend. The **Insureds** shall defend and contest any **Claim** made against them. The **Insureds** shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment, or incur any **Defense Costs** without the prior written consent of the **Insurer**. Only those settlements, stipulated judgments and **Defense Costs** which have been consented to by the **Insurer** shall be recoverable as **Loss** under the terms of this policy. The **Insurer's** consent shall not be unreasonably withheld, provided that the **Insurer** shall be entitled to effectively associate in the defense, the prosecution and the negotiation of any settlement of any **Claim** that involves or appears reasonably likely to involve the **Insurer**.*

The **Insurer** shall have the right to effectively associate with each and every **Company** and **Individual Insured** in the defense and prosecution of any **Claim** that involves, or appears reasonably likely to involve, the **Insurer**, including, but not limited to, negotiating a settlement. Each and every **Company**

and **Individual Insured** shall give the **Insurer** full cooperation and such information as it may reasonably require.

Notwithstanding any of the foregoing, if all **Insured** defendants are able to dispose of all **Claims** which are subject to one retention amount (inclusive of **Defense Costs**) for an amount not exceeding any applicable retention amount, then the **Insurer's** consent shall not be required for such disposition.

No **Company** is covered in any respect under Coverage A or Coverage C. A **Company** is covered, subject to the policy's terms, conditions and limitations only with respect to: (1) its indemnification of **Individual Insureds** under Coverage B(ii) as respects a **Claim** against such **Individual Insureds**; and (2) under Coverage B(i) for a **Securities Claim**. Accordingly, the **Insurer** has no obligation under this policy for covered **Defense Costs** incurred by, judgments against or settlements by a **Company** arising out of a **Claim** made against a **Company** other than a covered **Securities Claim**, or any obligation to pay **Loss** arising out of any legal liability that a **Company** has to a claimant, except as respects a covered **Securities Claim** against such **Company**.

With respect to: (i) **Defense Costs** jointly incurred by; (ii) any joint settlement entered into by; and/or (iii) any judgment of joint and several liability against any **Company** and any **Insured** in connection with any **Claim** other than a **Securities Claim**, any such **Company** and any such **Insured** and the **Insurer** agree to use their best efforts to determine a fair and proper allocation of the amounts as between any such **Company**, any such **Insured** and the **Insurer**, taking into account the relative legal and financial exposures, and the relative benefits obtained by any such **Insured** and any such **Company**. In the event that a determination as to the amount of **Defense Costs** to be advanced under the policy cannot be agreed to, then the **Insurer** shall advance **Defense Costs** excess of any applicable retention amount which the **Insurer** states to be fair and proper until a different amount shall be agreed upon or determined pursuant to the provisions of this policy and applicable law.

This Clause 7 shall not be applicable to **Crisis Loss** or **Costs of Investigation**. Nevertheless, the **Insurer** does not, under this policy, assume any duty to defend.

## 8. PRE-AUTHORIZED SECURITIES DEFENSE ATTORNEYS

Affixed as Appendix DO-1 hereto and made a part of this policy is a list of Panel Counsel law firms ("**Panel Counsel Firms**"). The list provides the **Insureds** with a choice of law firms from which a selection of legal counsel shall be made to conduct the defense of any **Securities Claim** made against such **Insureds**.

The **Insureds** shall select a **Panel Counsel Firm** to defend the **Securities Claim** made against the **Insureds** in the jurisdiction in which the **Securities Claim** is brought. In the event the **Claim** is brought in a jurisdiction not included on the list, the **Insureds** shall select a **Panel Counsel Firm** in the listed jurisdiction which is the nearest geographic jurisdiction to either where the **Securities Claim** is brought or where the corporate headquarters of the **Named Entity** is located. In such instance the **Insureds** also may, with the express prior written consent of the **Insurer**, which consent shall not be unreasonably withheld, select a non-**Panel Counsel Firm** in the jurisdiction in which the **Securities Claim** is brought to function as "local counsel" on the **Claim** to assist the **Panel Counsel Firm** which will function as "lead counsel" in conducting the defense of the **Securities Claim**.

With the express prior written consent of the **Insurer**, an **Insured** may select a **Panel Counsel Firm** different from that selected by another **Insured** defendant if such selection is required due to an actual conflict of interest or is otherwise reasonably justifiable. The list of **Panel Counsel Firms** may be amended from time to time by the **Insurer**. However, no firm shall be removed from the specific list attached to this policy during the **Policy Period**, without the consent of the **Named Entity**.

## 9. REPRESENTATIONS AND SEVERABILITY

In granting coverage under this **Coverage Section**, it is agreed that the **Insurer** has relied upon the statements, warranties and representations contained in the **Application** as being accurate and complete. All such statements, warranties and representations are the basis for this **Coverage Section** and are to be considered as incorporated into this **Coverage Section**.

The **Insureds** agree that in the event that such statements, warranties and representations are not accurate and complete and materially affect either the acceptance of the risk or the hazard assumed by the **Insurer** under the policy, then this **Coverage Section** shall be void *ab initio* solely with respect to any of the following **Insureds**:

- (a) solely with respect to **Loss**, other than **Non-Indemnifiable Loss**, any **Individual Insured** who knew as of the inception date of the **Policy Period** the facts that were not accurately and completely disclosed in the **Application**;
- (b) a **Company**, under Clause 1. Insuring Agreements, COVERAGE B(ii), to the extent it indemnifies any **Individual Insured** referenced in (a) above; and
- (c) a **Company**, under Clause 1. Insuring Agreement, COVERAGE B(i), if any past or present chief executive officer, chief financial officer or general counsel (or any equivalent position) of the **Company** knew as of the inception date of the **Policy Period**, the facts that were not accurately and completely disclosed in the **Application**;

whether or not such **Individual Insured** knew that such facts were not accurately and completely disclosed in the **Application**.

Except as provided in (a) through (c) above, no **Individual Insured's** knowledge shall be imputed to any other **Insured**.

Solely with respect to any **Non-Indemnifiable Loss** of any **Individual Insured**, under no circumstances shall the coverage provided by this **Coverage Section** be deemed void, whether by rescission or otherwise, but such coverage will be subject to all other terms, conditions and exclusions of the policy.

## 10. BANKRUPTCY

Bankruptcy or insolvency of the **Company** or the **Insureds** shall not relieve the **Insurer** of any of its obligations hereunder.

It is further understood and agreed that the coverage provided under this policy is intended to protect and benefit the **Individual Insureds**. Further, if a liquidation or reorganization proceeding is

commenced by the **Named Entity** and/or any other **Company** (whether voluntarily or involuntarily) under Title 11 of the United States Code (as amended), or any similar state, local or foreign law (collectively, "**Bankruptcy Law**") then, in regard to a covered **Claim** under this policy, the **Insureds** hereby:

- (a) waive and release any automatic stay or injunction to the extent it may apply in such proceeding to the proceeds of this policy under such **Bankruptcy Law**; and
- (b) agree not to oppose or object to any efforts by the **Insurer** or any **Insured** to obtain relief from any stay or injunction applicable to the proceeds of this policy as a result of the commencement of such liquidation or reorganization proceeding.

## 11. RENEWAL APPLICATION PROCEDURE

If this **Coverage Section** is a renewal of, a replacement of, or succeeds in time any policy (providing similar coverage) issued by the **Insurer**, or any of its affiliates, then in granting coverage under this **Coverage Section** it is agreed that the **Insurer** has relied upon the **Application** as being accurate and complete in underwriting this policy. This Clause 11 together with the **Application** constitute the complete **Application** that is the basis of this policy and form a part hereof, and is material to the risk assumed by the **Insurer**. No written renewal application form need be completed by the **Named Entity** in order to receive a renewal quote from the **Insurer** for this **Coverage Section**, although the **Insurer** reserves the right to require specific information upon renewal.

## 12. ORDER OF PAYMENTS

In the event of **Loss** arising from a covered **Claim** for which payment is due under the provisions of this **Coverage Section**, then the **Insurer** shall in all events:

- (a) first, pay **Loss** for which coverage is provided under Coverage A and Coverage C of this **Coverage Section**; then
- (b) only after payment of **Loss** has been made pursuant to Clause 12(a) above, with respect to whatever remaining amount of the **Policy Aggregate Limit of Liability** or **Separate Limit of Liability** or **Shared Limit of Liability**, if any, is available after such payment, at the written request of the **Named Entity**, either pay or withhold payment of such other **Loss** for which coverage is provided under Coverage B(ii) of this **Coverage Section**; and then
- (c) only after payment of **Loss** has been made pursuant to Clause 12(a) and Clause 12(b) above, with respect to whatever remaining amount of the **Policy Aggregate Limit of Liability** or **Separate Limit of Liability** or **Shared Limit of Liability**, if any, is available after such payment, at the written request of the **Named Entity**, either pay or withhold payment of such other **Loss** for which coverage is provided under Coverages B(i), D and E of this **Coverage Section**.

In the event the **Insurer** withholds payment pursuant to Clause 12(b) and/or Clause 12(c) above, then the **Insurer** shall at such time and in such manner as shall be set forth in written instructions of the **Named Entity** remit such payment to a **Company** or directly to or on behalf of an **Individual Insured**.

The bankruptcy or insolvency of any **Company** or any **Individual Insured** shall not relieve the **Insurer** of any of its obligations to prioritize payment of covered **Loss** under this policy pursuant to this Clause 12.



**FIDUCIARY LIABILITY INSURANCE  
COVERAGE SECTION THREE  
("FLI COVERAGE SECTION")**

**Notice:** Pursuant to Clause 1 of the General Terms and Conditions, the General Terms and Conditions are incorporated by reference into, made a part of, and are expressly applicable to this Coverage Section, unless otherwise explicitly stated to the contrary in either the General Terms and Conditions or in this Coverage Section.

In consideration of the payment of the premium, and in reliance upon the statements made to the **Insurer** by application, including its attachments and the material incorporated therein, which form a part of this policy, the **Insurer** agrees as follows:

**1. INSURING AGREEMENTS**

- (a) Solely with respect to **Claims** first made against an **Insured** during the **Policy Period** or the **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this policy, and subject to the other terms, conditions and limitations of this policy, this policy shall pay the **Loss** of each and every **Insured** arising from a **Claim** first made against an **Insured** for any **Wrongful Act** by any such **Insured** or by any employee for whom such **Insured** is legally responsible.
- (b) Solely with respect to **CAP Penalties** and **Delinquent Filer Penalties** assessed against an **Insured**, and **Voluntary Fiduciary Correction Loss** incurred by an **Insured**, during the **Policy Period** or the **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this policy, and subject to the other terms, conditions and limitations of this policy, this policy shall:
  - (i) pay the **CAP Penalties** and **Delinquent Filer Penalties**; and
  - (ii) reimburse the **Voluntary Fiduciary Correction Loss**,

of each and every **Insured**, collectively not to exceed the amount of the **Voluntary Compliance Loss Sublimit of Liability**, as defined in Clause 5 of this **Coverage Section**; provided that the **Insured** shall select a **Panel Counsel Firm** as provided in Clause 6 of this **Coverage Section**.

The payment of any **Voluntary Compliance Loss** under this policy shall not waive any of the **Insurer's** rights under this policy or at law, including in the event that a **Voluntary Compliance Loss** results in a **Claim**.

- (c) Solely with respect to **HIPAA Penalties** incurred by an **Insured** during the **Policy Period** or the **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this policy, and subject to the other terms, conditions and limitations of this policy, this policy shall pay the **HIPAA Penalties** of each and every **Insured**, collectively not to exceed the amount of the **HIPAA Penalties Sublimit of Liability**, as defined in Clause 5 of this **Coverage Section**.

**2. DEFENSE AGREEMENT**

(a) INSURER'S DUTY TO DEFEND

Except as hereinafter stated, the **Insurer** shall have both the right and duty to defend any **Claim** against an **Insured** alleging a **Wrongful Act**, even if such **Claim** is groundless, false or fraudulent.

The **Insured** shall have the right to effectively associate with the **Insurer** in the defense of any **Claim**, including, but not limited to, negotiating a settlement, subject to the provisions of this clause. However, the **Insurer** shall not be obligated to defend any **Claim** after the **Policy Aggregate Limit of Liability** or any **Separate Limit of Liability** or **Shared Limit of Liability** has been exhausted, or pursuant to subparagraph (b) below, after the rejection of a settlement offer.

(b) GENERAL PROVISIONS (applicable to (a) above)

The **Insurer** shall advance **Defense Costs** prior to the final disposition of a **Claim**, subject to the other provisions of this policy. Such advance payments by the **Insurer** shall be repaid to the **Insurer** by the **Insureds**, severally according to their respective interests, in the event and to the extent that the **Insureds** shall not be entitled under the terms and conditions of this policy to payment of such **Loss**.

The **Insured** shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment, or incur any **Defense Costs** without the prior written consent of the **Insurer**. Only those settlements, stipulated judgments and **Defense Costs** which have been consented to by the **Insurer** shall be recoverable as **Loss** under the terms of this policy.

The **Insureds** shall give the **Insurer** full cooperation and such information as the **Insurer** may reasonably require. The **Insurer** may make any settlement of any **Claim** it deems expedient with respect to any **Insured** subject to such **Insured's** written consent. If any **Insured** withholds consent to such settlement, the **Insurer's** liability for all **Loss** on account of such **Claim** shall not exceed: (1) the amount for which the **Insurer** could have settled such **Claim** plus **Defense Costs** incurred as of the date such settlement was proposed in writing by the **Insurer** (herein, the "**Settlement Opportunity Amount**"), plus (2) 60% of covered **Loss** in excess of such **Settlement Opportunity Amount**, it being a condition of this insurance that the remaining 40% of such **Loss** excess of the **Settlement Opportunity Amount** shall be carried by the **Insureds** at their own risk and be uninsured.

### 3. DEFINITIONS

- (a) "**Administrator**" means an **Insured** with respect to any **Wrongful Act** described in subparagraph (2) of the definition of "**Wrongful Act**" in this **Coverage Section**.
- (b) "**Benefits**" means any obligation under a **Plan** to a participant or beneficiary under a **Plan** which is a payment of money or property, or the grant of a privilege, right, option or perquisite.
- (c) "**Breach of Fiduciary Duty**" means a violation of the responsibilities, obligations or duties imposed upon **Insureds** by ERISA.
- (d) "**CAP Penalties**" means fines, penalties, sanctions, voluntary correction fees, compliance fees or user fees assessed against or collected from an **Insured** by the Internal Revenue Service ("**IRS**")



pursuant to a written agreement to correct an inadvertent **Plan** defect under an Employee Plans Compliance Resolution System, provided that such agreement to correct such **Plan** defect was entered into in writing by the **Insured** with the **IRS** during the **Policy Period** (or during the policy period of a policy issued by the **Insurer** of which this policy is a continuous renewal).

(e) "**Claim**" means:

- (1) a written demand for monetary, non-monetary or injunctive relief; or
- (2) a civil, criminal or arbitration proceeding for monetary, non-monetary or injunctive relief which is commenced by:
  - (i) service of a complaint or similar pleading; or
  - (ii) return of an indictment (in the case of a criminal proceeding); or
  - (iii) receipt or filing of a notice of charges; or
- (3) a formal agency adjudicative proceeding anywhere in the world to which an **Insured** is subject.

(f) "**Consulting Fees**" means fees charged by a third party actuary, benefits consultant or accountant resulting solely from the correction of an actual or potential **Breach of Fiduciary Duty**, but excluding any fees, costs or expenses associated with: (i) a **Plan** audit; or (ii) identifying, finding or assessing such **Breach of Fiduciary Duty**.

(g) "**Defense Expenses**" means reasonable and necessary attorney's fees, costs or expenses consented to in writing by the **Insurer** resulting solely from the correction of an actual or potential **Breach of Fiduciary Duty**, but excluding any fees, costs and expenses associated with finding or assessing such **Breach of Fiduciary Duty** and any compensation of **Individual Insureds** or employees of an **Insured**.

(h) "**Delinquent Filer Penalties**" means penalties assessed by the U.S. Department of Labor or the **IRS** under a Delinquent Filer Voluntary Compliance Program for inadvertent failure to file Form 5500, provided that the failure to file such Form 5500 occurred during the **Policy Period** (or during the policy period of a policy issued by the **Insurer** of which this policy is a continuous renewal).

(i) "**Employee Benefit Law**" means **ERISA** or any similar common or statutory law of the United States, Canada or any state or other jurisdiction anywhere in the world to which a **Plan** is subject.

(1) Solely with respect to paragraph (2) of the definition of **Wrongful Act, Employee Benefit Law** shall also include Part 164 of the regulations under the Health Insurance Portability and Accountability Act of 1996, unemployment insurance, Social Security, government-mandated disability benefits or similar law.

(2) In no event shall **Employee Benefit Law**, other than as set forth in paragraph (1) of this definition of **Employee Benefit Law**, include any law concerning worker's compensation, unemployment insurance, Social Security, government-mandated disability benefits or similar law.

(j) "**ERISA**" means the Employee Retirement Income Security Act of 1974 (including, but not limited to, amendments relating to the Consolidated Omnibus Budget Reconciliation Act of 1985, Health Insurance Portability and Accountability Act of 1996 as it relates to Sections 102(b) and 104(b)(1) of **ERISA**, the Newborns' and Mothers' Health Protection Act of 1996, the Mental

Health Parity Act of 1996, and the Women's Health and Cancer Rights Act of 1998), and including any amendment or revision thereto.

- (k) **"ESOP"** means any employee stock ownership plan as defined in **ERISA**, or any other **Plan** under which investments are made primarily in securities of or issued by (i) the **Company**, (ii) the parent of the **Company**, (iii) any acquired **Subsidiary**, or (iv) any parent of any acquired **Subsidiary**, or whose assets at any time within twelve months prior to the inception date of this policy were comprised of 10% or more of securities of the **Company**, the parent of the **Company**, any acquired **Subsidiary**, or any parent of any acquired **Subsidiary**.
- (l) **"Fiduciary"** means a fiduciary as defined in any applicable **Employee Benefit Law** with respect to a **Plan**, or a person or entity who exercises discretionary control respecting the management of a **Plan** or the disposition of its assets.
- (m) **"HIPAA Penalties"** means civil money penalties imposed upon an **Insured** for violation of the privacy provisions of the Health Insurance Portability and Accountability Act of 1996.
- (n) **"Individual Insured"** means any past, present or future natural person director, officer or employee of the **Company** or, if applicable, of a **Plan**, and as to all of the above, in his or her capacity as a **Fiduciary, Administrator** or trustee of a **Plan**.
- (o) **"Insured(s)"** means:
  - (1) any **Individual Insured**;
  - (2) any **Plan(s)**;
  - (3) the **Company**; and
  - (4) any other person or entity in his, her or its capacity as a **Fiduciary, Administrator** or trustee of a **Plan** who is included in the definition of **"Insured"** by specific written endorsement attached to this policy.
- (p) **"Loss"** means damages, judgments (including pre and post-judgment interest on that part of any judgment paid under this **Coverage Section**), settlements and **Defense Costs**; however, **Loss** (other than **Defense Costs**) shall not include: (1) civil or criminal fines or penalties imposed by law, except (i) to the extent set forth in Item 5(d) of the Declarations for **Voluntary Compliance Loss**, (ii) **UK Fines and Penalties**, (iii) the five percent (5%) or less civil penalty imposed upon an **Insured** under Section 502(i) of **ERISA**, (iv) the twenty percent (20%) or less penalty imposed upon an **Insured** under Section 502(l) of **ERISA**, with respect to covered settlements or judgments under this **Coverage Section**, and (v) to the extent set forth in Item 5(e) of the Declarations for **HIPAA Penalties**; (2) the multiplied portion of multiplied damages; (3) taxes or tax penalties; (4) any amount for which an **Insured** is not financially liable or which is without legal recourse to the **Insured**; (5) **Benefits**, or that portion of any settlement or award in an amount equal to such **Benefits**, unless and to the extent that recovery of such **Benefits** is based upon a covered **Wrongful Act** and is payable as a personal obligation of an **Individual Insured**; or (6) matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed.

Where permitted by law, **Loss** shall include punitive or exemplary damages imposed upon any **Insured**, subject to the policy's other terms, conditions and exclusions, including but not limited to Exclusion (a) of this Coverage Section and Exclusion (a) of the General Terms and Conditions.

**Loss** shall include **Voluntary Compliance Loss** and **HIPAA Penalties**.

(q) **"Non-Qualified Plan"** means any of the following plans for a select group of management or highly compensated directors, officers and/or employees: deferred compensation plan, supplemental executive retirement plan, top-hat plan or excess benefit plan.

(r) **"Plan"** means:

(i) any **Non-Qualified Plan**; or

(ii) any payroll deduction IRA (Individual Retirement Account), SEP (Simplified Employee Pension Plan), SARSEP (Salary Reduction Simplified Employee Pension Plan) or SIMPLE IRA (Savings Incentive Match Plan for Employees), established or administered by the **Company**, solely for the benefit of the employees and/or the **Directors or Officers**; or

(iii) any plan as defined under **Employee Benefit Law**, other than a **Non-Qualified Plan**, which is:

(1) a welfare plan, as defined under **Employee Benefit Law** which was, is now, or hereinafter becomes sponsored solely by the **Company**, or sponsored jointly by the **Company** and a labor organization, solely for the benefit of the employees and/or the **Director(s) or Officer(s)** of the **Company**;

(2) a pension plan as defined under **Employee Benefit Law** (other than an **ESOP** or stock option plan) which was, on or prior to the inception date of the policy, sponsored solely by the **Company**, or sponsored jointly by the **Company** and a labor organization, solely for the benefit of the employees and/or the **Director(s) or Officer(s)** of the **Company**, provided that at any time prior to the inception date of this policy such plan has been reported in writing to the **Insurer** by the **Named Entity** pursuant to the terms of the application for this policy, or any prior policy or its application issued by the **Insurer** (or any other member company of American International Group, Inc.) and the **Named Entity** shall have paid any required premium relating to such plan;

(3) subject to the requirements of sub-paragraphs (1) and (2) above, any pension or welfare plan that was sold, spun-off or terminated during or prior to the inception date of this policy, but solely with respect to **Wrongful Acts** that occurred prior to the date of such sale or spin-off, or in the case of a terminated plan, prior to the final date of asset distribution of such plan, provided that notice of such sale, spin-off or termination is provided to the **Insurer** before the end of the **Policy Period**;

(4) a pension plan as defined in **Employee Benefit Law** (other than an **ESOP** or stock option plan) which:

(a) is acquired during the **Policy Period** as a result of the **Company's** acquisition of a **Subsidiary** whose assets total more than 25% of the total consolidated assets of the **Company** as of the inception date of this policy; or

(b) is acquired during the **Policy Period** and such plan's assets total more than 25% of the total consolidated assets of all covered pension plans as of the inception date of this policy, or

(c) is created during the **Policy Period**,

but only upon the condition that within ninety (90) days of its acquisition or creation, the **Named Entity** shall have provided the **Insurer** with a completed application for such new plan and agreed to any additional premium or amendment of the provisions of the policy required by the **Insurer** relating to such new plan;

- (5) a pension plan which, during or prior to the **Policy Period** of this policy, has been merged into or consolidated with a pension plan for which coverage is afforded under this policy; and
- (6)(i) a plan which is both a welfare plan and a pension plan as defined in **Employee Benefit Law** (other than an **ESOP** or stock option plan) subject to the requirements of this Definition (r);
- (ii) the following government-mandated programs: unemployment insurance, Social Security or disability benefits, solely with respect to a **Wrongful Act** defined in subparagraph (2) of the definition of "**Wrongful Act**" in this **Coverage Section**;
- (iii) any other plan, fund or program, including an **ESOP**, which is included in the definition of "**Plan**" by specific written endorsement attached to this policy.

Notwithstanding the foregoing, the term "**Plan**" shall not include any multiemployer plan as defined under any **Employee Benefit Law**.

- (s) "**UK Fines and Penalties**" means civil fines and penalties assessed against an **Insured** by either the Pensions Ombudsman appointed by the Secretary of State for Social Services in the United Kingdom or by the Pensions Regulator in the United Kingdom or any successor body thereto, subject to the other terms, conditions and exclusions of the policy.
- (t) "**Voluntary Compliance Loss**" means **CAP Penalties**, **Delinquent Filer Penalties** and **Voluntary Fiduciary Correction Loss**.
- (u) "**Voluntary Fiduciary Correction Loss**" means damages, **Defense Expenses** and **Consulting Fees** incurred in connection with the U.S. Department of Labor's ("**DOL**") Voluntary Fiduciary Correction Program as set forth in the Federal Register, resulting from an inadvertent **Breach of Fiduciary Duty** occurring during the **Policy Period** (or during the policy period of a policy issued by the **Insurer** of which this policy is a continuous renewal), provided that such compliance with the **DOL's** Voluntary Fiduciary Correction Program results in the **Insured** obtaining a "No Action" letter from the **DOL**; however, **Voluntary Fiduciary Correction Loss** shall not include: (1) civil or criminal fines or penalties imposed by law; (2) punitive or exemplary damages; (3) the multiplied portion of multiplied damages; (4) taxes or tax penalties; (5) any amount for which an **Insured** is not financially liable or which is without legal recourse to the **Insured**; (6) **Benefits**, or that portion of damages equal to such **Benefits**; (7) matters of which the **Insured** had knowledge prior to the inception date of this policy or the first policy issued by the **Insurer** to the **Named Entity** of which this policy is a continuous renewal; or (8) matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed.
- (v) "**Wrongful Act**" means:
  - (1) as respects an **Insured**: a violation of any of the responsibilities, obligations or duties imposed upon **Fiduciaries** by **Employee Benefit Law** with respect to a **Plan**; or any matter claimed against an **Insured** solely by reason of his, her or its status as a **Fiduciary**, but only with respect to a **Plan**; and

- (2) as respects an **Administrator**, any act, error or omission solely in the performance of one or more of the following administrative duties or activities, but only with respect to a **Plan**:
- (i) counseling employees, participants and beneficiaries; or
  - (ii) providing interpretations; or
  - (iii) handling of records; or
  - (iv) activities effecting enrollment, termination or cancellation of employees, participants and beneficiaries under the **Plan**,
- or any matter claimed against an **Insured** solely by reason of his, her or its status as an **Administrator**, but only with respect to a **Plan**;
- (3) as respects an **Individual Insured**, any matter claimed against him or her arising out of his or her service as a **Fiduciary** or **Administrator** of any multiemployer plan as defined by **ERISA**, but only if such service is at the specific written request or direction of the **Company** and such multiemployer plan is added by specific written endorsement attached to this policy, identified as a multiemployer plan and any required premium is paid. In no event shall coverage under this policy extend to a **Claim** against a multiemployer plan itself, its contributing employer(s) or any other fiduciaries or administrators of such plan, other than an **Individual Insured**.

#### 4. EXCLUSIONS

In addition to the exclusions set forth in Clause 4 of the General Terms and Conditions, the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured**:

- (a) arising out of, based upon or attributable to the committing of any criminal or deliberate fraudulent act, or knowing or willful violation of any statute, rule or law, including, but not limited to **Employee Benefit Law** if a judgment or final adjudication or an alternative dispute resolution proceeding adverse to the **Insured(s)** establishes such criminal or deliberate fraudulent act, or knowing or willful violation of any statute, rule or law, including but not limited to **Employee Benefit Law**;
- (b) for discrimination in violation of any law, except that this exclusion shall not apply to discrimination in violation of **Employee Benefit Law**;
- (c) for failure to fund a **Plan** in accordance with **Employee Benefit Law** or the **Plan** instrument or the failure to collect contributions owed to the **Plan**; except that this exclusion shall not apply to **Defense Costs**;
- (d) alleging, arising out of, based upon or attributable to any act or omission in his, her or its capacity as a **Fiduciary** or **Administrator** of any plan, fund or program, other than a **Plan** as defined in this policy, or by reason of his, her or its status as a **Fiduciary** or **Administrator** of such other plan, fund or program;
- (e) for emotional distress of any person; except that this exclusion shall not apply to **Defense Costs** incurred in the defense of a **Claim** for **Breach of Fiduciary Duty**; or
- (f) alleging, arising out of, based upon or attributable to any **Wrongful Act** as respects the **Plan** taking place at any time when the **Company** did not sponsor such **Plan** or when the **Individual**



**Insured** was not a **Fiduciary, Administrator, trustee, Director(s) or Officer(s)**, or employee of the **Company** or if applicable, a **Plan**.

For the purpose of determining the applicability of the foregoing Exclusion 4(a), the facts pertaining to and knowledge possessed by any **Insured** shall not be imputed to any other **Individual Insured**.

## 5. LIMIT OF LIABILITY

Clause 5 of the General Terms and Conditions is modified to the extent necessary to provide the following:

The maximum limit of the **Insurer's** liability for all **Voluntary Compliance Loss** occurring during the **Policy Period** or the **Discovery Period** (if applicable), in the aggregate, shall be the amount set forth in Item 5(f) of the Declarations ("**Voluntary Compliance Loss Sublimit of Liability**"). The **Voluntary Compliance Loss Sublimit of Liability** shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** stated in Item 5(a) of the Declarations of this policy or any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this **Coverage Section** as stated in Item 3 of the Declarations, and will in no way serve to increase the **Insurer's Policy Aggregate Limit of Liability** or any **Separate Limit of Liability** or **Shared Limit of Liability** as stated therein.

The maximum limit of the **Insurer's** liability for all **HIPAA Penalties** occurring during the **Policy Period** or the **Discovery Period** (if applicable), in the aggregate, shall be the amount set forth in Item 5(g) of the Declarations ("**HIPAA Penalties Sublimit of Liability**"). The **HIPAA Penalties Sublimit of Liability** shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** stated in Item 5(a) of the Declarations of this policy and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this **Coverage Section** as stated in Item 3 of the Declarations, and will in no way serve to increase the **Insurer's Policy Aggregate Limit of Liability** or any **Separate Limit of Liability** or **Shared Limit of Liability** as stated therein.

## 6. PRE-AUTHORIZED DEFENSE ATTORNEYS

This Clause 6 applies only to: (1) a **Claim** brought by any government entity; (2) a request for coverage for a **Voluntary Compliance Loss**; or (3) a **Claim** brought in the form of a class or representative action. Affixed as Appendix FL-1 hereto and made a part of this policy is a list of panel counsel law firms ("**Panel Counsel Firms**") from which a selection of legal counsel shall be made to conduct the defense of any **Claim** against any **Insured** to which this Clause 6 applies and pursuant to the terms set forth below.

The **Insurer** shall select a **Panel Counsel Firm** to defend the **Insureds**. Upon the written request of the **Named Entity**, the **Insurer** may consent to a different **Panel Counsel Firm** selected by the **Named Entity** to defend the **Insureds**, which consent shall not be unreasonably withheld.

The selection of a **Panel Counsel Firm** from the attached list to defend the **Claim** against the **Insureds** shall not be restricted to the jurisdiction in which the **Claim** is brought.

The list of **Panel Counsel Firms** may be amended from time to time by the **Insurer**. However, no change shall be made to the specific list attached to this policy during the **Policy Period** without the consent of the **Named Entity**. At the request of the **Named Entity**, the **Insurer** may in its discretion add one or more law firms to the attached list of **Panel Counsel Firms** for the purposes of defending

the **Claim** made against the **Insureds**. The list of **Panel Counsel Firms** may also be amended to add, at the sole discretion of the **Insurer**, a non-**Panel Counsel Firm** for the purpose of acting as “local counsel” to assist an existing **Panel Counsel Firm**, which **Panel Counsel Firm** will act as “lead counsel” in conducting the defense of the **Claim**, for **Claims** brought in a jurisdiction in which the chosen **Panel Counsel Firm** does not maintain an office.

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## AIG EXECUTIVE LIABILITY<sup>SM</sup>

Insurance provided by a member company of American International Group, Inc.

Name of Insurance Company to which Application is made (herein called the "Insurer")

### Financial Institutions Risk Protector<sup>®</sup> Application

Management and Professional Liability for Financial Institutions

#### NOTICES:

IF A POLICY IS ISSUED, DEFENSE COSTS WILL REDUCE THE LIMITS OF LIABILITY (AND, THEREFORE, AMOUNTS AVAILABLE TO RESPOND TO SETTLEMENTS AND JUDGMENTS) AND WILL BE APPLIED AGAINST APPLICABLE RETENTIONS.

IF A POLICY IS ISSUED, COVERAGE WILL BE GENERALLY LIMITED TO LOSS FROM CLAIMS FIRST MADE AGAINST INSURED DURING THE POLICY PERIOD AND REPORTED TO THE INSURER AS THE POLICY REQUIRES.

**INSTRUCTIONS:** The words "you", "your" and "Applicant" refer to the Named Applicant and all the other entities applying for coverage. The General Information Section, Financial Information Section, Policy Coverage Details Section, and the Current Insurance Details Section need to be completed in their entirety as well as those sections for which the Applicant is applying for coverage. If your answer to any question in this Application requires additional space, please complete your answer on an attachment. In the event that you are applying for Bankers Professional Liability coverage, the Bankers Professional Liability Supplemental Application must be completed and will be attached to, and made part of, this Application. This Application, its respective attachments, supplements and any other related information or documentation you provide (or indicate is available on a website) will constitute a single "Application".

#### Section A. GENERAL INFORMATION

1. Named Applicant: \_\_\_\_\_  
Address of Named Applicant: \_\_\_\_\_  
City: \_\_\_\_\_ Domicile State: \_\_\_\_\_ Zip Code: \_\_\_\_\_
2. State of Incorporation: \_\_\_\_\_
3. Years of Operation: \_\_\_\_\_
4. Is the Applicant a General or Limited Partnership? Yes ☐ No ☐
5. Does the Applicant or any of its Subsidiaries act as a general partner in any partnership? Yes ☐ No ☐
6. (a) Applicant's Primary Nature of Business: \_\_\_\_\_  
(b) Applicant's Primary SIC Code: \_\_\_\_\_
7. The Applicant does not own, operate, manage, or control any captive insurance company or foresee the formation, ownership, or participation in the ownership of any captive insurance company in the future, except for the following captive insurance companies ("Captive(s)"): \_\_\_\_\_
8. Does any Captive listed above conduct any third party business or will any Captive listed above conduct any



third party business in the future? Yes ☐ No ☐

9. What coverage is the Applicant applying for?

Coverage	Applicant applying for coverage?		Does the Applicant currently have such insurance?	
	Yes	No	Yes	No
Private Company Directors and Officers Liability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public Company Directors and Officers Liability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employment Practices Liability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fiduciary Liability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bankers Professional Liability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insurance Company Liability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
netAdvantage Security & Privacy Liability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employed Lawyers Professional Liability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Section B. CLAIMS HISTORY INFORMATION**

***Answer the following questions 1 through 10 for only those coverage types the Applicant does not currently maintain insurance on a Financial Institutions Risk Protector® policy form and is now applying for under this application. If Applicant currently maintains insurance coverage on a Financial Institutions Risk Protector® policy form for the coverage type(s) it is applying for under this application, check the applicable N/A box):***

1. Has there been, or is there now pending any claim(s), suit(s), investigation(s) or action(s) against the Applicant, its subsidiaries, or any director, officer or employee of any Applicant arising out of: (i) any director, officer, employee or entity liability matter; or (ii) any matter claimed against any person proposed for insurance in his or her capacity as a director, officer, plan fiduciary or employee?

Please answer with regard to:

Private Company Directors and Officers Liability Yes ☐ No ☐ N/A ☐

Public Company Directors and Officers Liability Yes ☐ No ☐ N/A ☐

Employment Practices Liability Yes ☐ No ☐ N/A ☐

Fiduciary Liability Yes ☐ No ☐ N/A ☐

Bankers Professional Liability Yes ☐ No ☐ N/A ☐

Insurance Company Liability

Yes ☐ No ☐ N/A ☐

netAdvantage Security & Privacy Liability

Yes ☐ No ☐ N/A ☐

Employed Lawyers Professional Liability

Yes ☐ No ☐ N/A ☐

If "No" was checked with respect to any of the above, please attach complete details regarding those claims, suits, investigations or actions.

2. (Please answer if applying for Fiduciary Liability): Has there been or is there pending any inquiry or investigation, or any violation of ERISA or any similar common or statutory law of the United States, Canada or any state or other jurisdiction anywhere in the world, to which an Applicant plan is subject?

Yes ☐ No ☐ N/A ☐

If "Yes," please attach complete details.

3. Does the Applicant, its subsidiaries, or any director, officer or employee of the Applicant know of any act, error or omission, which could give rise to a claim(s), suit(s) or action(s) under the proposed policy with regard to:

Private Company Directors and Officers Liability

Yes ☐ No ☐ N/A ☐

Public Company Directors and Officers Liability

Yes ☐ No ☐ N/A ☐

Employment Practices Liability

Yes ☐ No ☐ N/A ☐

Fiduciary Liability

Yes ☐ No ☐ N/A ☐

Bankers Professional Liability

Yes ☐ No ☐ N/A ☐

Insurance Company Liability

Yes ☐ No ☐ N/A ☐

netAdvantage Security & Privacy Liability

Yes ☐ No ☐ N/A ☐

Employed Lawyers Professional Liability

Yes ☐ No ☐ N/A ☐

If "Yes" was checked with respect to any of the above, please attach complete details.

**Please answer Questions 4 through 6 if applying for Employed Lawyers Professional Liability.**

4. Is any employed lawyer or the Applicant aware, after reasonable inquiry, of any claims or actions against any person proposed for insurance in his or her capacity as an employed lawyer within the past three (3) years?

Yes ☐ No ☐ N/A ☐

If "Yes," please attach complete details.

5. Is any employed lawyer or the Applicant aware, after reasonable inquiry, of any act, error or omission which may be reasonably be expected to give rise to a claim against any employed lawyer or has the Applicant or any employed lawyer been charged in any civil, criminal, administrative or regulatory action or proceeding with a violation of any federal, state or foreign securities law, rule or regulation?

Yes ☐ No ☐ N/A ☐

If "Yes," please attach complete details.

6. Has any employed lawyer been the subject of a reprimand or disciplined by, or refused admission to a federal or state bar, court or administrative agency? Yes ☐ No ☐ N/A ☐

If "Yes," please attach complete details.

***Please answer Questions 7 through 10 if applying for netAdvantage Security & Privacy Liability.***

7. Is Applicant aware of any actual or alleged fact, circumstance, situation, error or omission, or issue which might give rise to a claim against for invasion or interference with rights of privacy, wrongful disclosure of personal information, or which might otherwise result in a claim against the Applicant with regard to issues related to Security & Privacy Liability? Yes ☐ No ☐ N/A ☐

If "Yes," please attach complete details.

8. During the past three (3) years, has anyone filed suit or made a claim against the Applicant with regard to invasion or interference with rights of privacy, wrongful disclosure of personal information, or which might otherwise result in a claim against the Applicant with regard to issues related to Security & Privacy Liability? Yes ☐ No ☐ N/A ☐

If "Yes," please attach complete details.

9. During the past five (5) years, has a complaint, claim, demand, lawsuit or regulatory proceeding concerning the security of a computer system or website been made or initiated against the Applicant?

Yes ☐ No ☐ N/A ☐

If "Yes," please attach complete details.

10. During the past three (3) years, has the Applicant suffered any breach or failure of computer security?

Yes ☐ No ☐ N/A ☐

If "Yes," please attach complete details.)

*It is agreed that with respect to Questions 1 through 10 above, if such claim(s), suit(s), investigation(s), action(s), proceeding(s), inquiry, violation, knowledge, information or involvement exists, then such claim(s), suit(s), investigation(s), action(s), proceeding(s) or inquiry and any claim, r action, suit, investigations, proceeding or inquiry arising therefrom or arising from such violation, knowledge, information or involvement is excluded from the proposed coverage.*

### Section C. FINANCIAL INFORMATION

Please provide the following financial information for the Applicant and its Subsidiaries.

**Information must be from within the last twenty-four (24) months.**

1. Please provide the following Financial Information for the Applicant and its Subsidiaries.

Based on Financial Statements Dated:	(Year/Month)
Total Assets	\$
Current Assets	\$
Total Liabilities	\$
Current Liabilities	\$
Total Revenues/Contributions	\$
<input type="checkbox"/> Net Income or <input type="checkbox"/> Net Loss	\$
Long-Term Debt with Maturity Date within next 18 months	\$
Cashflow from Operations	\$

2. Has the Applicant or any of its Subsidiaries changed auditors in the past year? Yes ☐ No ☐ N/A ☐

If "Yes," please attach complete details.

3. Has any auditor issued a "going concern" opinion for the Named Applicant's or any of its Subsidiaries' financial statements or is the Named Applicant or any of its Subsidiaries declaring bankruptcy or has the Named Applicant or any of its Subsidiaries declared bankruptcy or operated under a different name in the last 7 years?

Yes ☐ No ☐ If "Yes," please attach complete details.

### Section D. DIRECTORS AND OFFICERS INFORMATION

Coverage Requested for:

Private Company Directors and Officers Liability? Yes ☐ No ☐

Public Company Directors and Officers Liability? Yes ☐ No ☐

Please complete this Section if applying for this coverage.

1. (a) Please provide a complete list of all Directors or Officers who are members of the board of directors (or equivalent governing body) of the Applicant and of its Subsidiaries by name and affiliation with other organizations. If included as an attachment herein, check here ☐.
- (b) Please provide a complete list of all Officers of the Applicant and of its Subsidiaries who are not described in 1(a) above by name and affiliation with other organizations.
- If included as an attachment herein, check here ☐.

2. Please list all directly and indirectly owned entities, other than partnerships entities, that are Subsidiaries:  
If included as an attachment herein check here ☐.

Name of Company	Type of Operation	Percentage of Ownership	Date Acquired or Created	Country of Incorporation: Domestic/Foreign
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Is coverage to include all Subsidiaries listed? Yes ☐ No ☐

If "Yes," include complete list of all directors or officers of each Subsidiary.

If "No," include complete list of those directors or officers of each Subsidiary for which coverage is requested.

If included as an attachment herein, check here ☐.

3. Has the Applicant or any of its Subsidiaries had any mergers, acquisitions or consolidations in the past twenty-four (24) months? Yes ☐ No ☐

4. Are there any plans being for a merger, an acquisition or a consolidation of or by the Applicant or any of its Subsidiaries in the next twelve (12) months? Yes ☐ No ☐

If "Yes," have these plans been approved by any of the following? Please check all that apply.

☐ Board of Directors (or equivalent governing body) and Date of Approval: \_\_\_\_\_

☐ Shareholders and Date of Approval: \_\_\_\_\_

5. Does the Applicant or any of its Subsidiaries anticipate any registration of securities under the Securities Act of 1933 (or any similar state or foreign rule or law) or any other offering of securities within the next twenty-four months? Yes ☐ No ☐

If "Yes," please attach complete details and submit offering materials if available, including the Offering Size and Use of Proceeds.

6. Does any Applicant engage in any securitizations? Yes ☐ No ☐

If "Yes," please attach complete details on all securitizations in the last twenty-four (24) months, including, but not limited to, the number of securitizations, the amount of each securitization, the assets underlying each securitization, whether the securitization was on balance sheet versus off balance sheet, the securitization service provider(s) and advisor(s) used, etc.

7. Has the Applicant experienced changes to its board of directors or to key executives over the past year?

Yes ☐ No ☐ If "Yes," please attach complete details.

8. Does the Applicant have any of the following Committees? Please check all that apply.

☐ Audit

☐ Compensation

☐ Nominating

9. Does the Applicant's charter or by-laws contain indemnification provisions? Yes ☐ No ☐

10. Does any Applicant provide services to its customers or clients for a fee or compensation? Yes ☐ No ☐

**Please answer questions 11(a) – (g) through 13 if applying for Private Company Directors and Officers Liability:**

11. (a) Are any of the Applicant's securities or those of its Subsidiaries publicly traded or the subject of a "shelf registration?" Yes ☐ No ☐
- Exchange(s): \_\_\_\_\_ Ticker Symbol(s): \_\_\_\_\_
- (b) Total number of voting shares outstanding: \_\_\_\_\_
- (c) Total number of voting shareholders: \_\_\_\_\_
- (d) Total number of voting shares owned by its Directors and Officers (direct and beneficial): \_\_\_\_\_
- (e) Does any shareholder own five percent (5%) or more of the voting shares directly or beneficially? Yes ☐ No ☐
- If "Yes," please designate name and percentage of holdings. \_\_\_\_\_
- If included as an attachment herein, check here ☐.
- (f) Is any of the stock held by the Employee Stock Ownership Plan? Yes ☐ No ☐
- If "Yes," what is the percentage? \_\_\_\_\_% Is it leveraged? Yes ☐ No ☐
- (g) Does the Applicant or any of its Subsidiaries have a portion of its private company debt purchased by the public? Yes ☐ No ☐
- If "Yes," please provide the amount: \$ \_\_\_\_\_
- If "Yes," please provide the Debt Rating: \_\_\_\_\_
12. Within the last twelve (12) months, has any Applicant had any private placement, or anticipate having any private placements or other offering of securities within the next 12 months? Yes ☐ No ☐
- If "Yes," what is the amount of proceeds from the private placement? \$ \_\_\_\_\_
13. Within the last twelve (12) months, has any Applicant had an offering of securities exempted pursuant to section 3(b) of the Securities Act of 1933? Yes ☐ No ☐

***Please answer question 14(a – (c)) if applying for Public Company Directors and Officers Liability:***

14. (a) Are (or have there been) any securities of the Applicant or of any Subsidiary thereof publicly traded or the subject of a shelf registration? Yes ☐ No ☐
- (b) If "Yes" to question 14(a), please attach the following information for each entity:
- If included as an attachment herein, check here ☐.
- (i) The name of the entity and the type of securities which are publicly traded or the subject of a shelf registration: \_\_\_\_\_.
- (ii) Total number of voting shares outstanding: \_\_\_\_\_.
- (iii) Total number of voting shareholders: \_\_\_\_\_.
- (iv) Total number of voting shares owned by members of its board of directors (or equivalent governing body) (direct and beneficial): \_\_\_\_\_.
- (v) Total number of voting shares owned by its directors or officers (direct and beneficial) who are not members of its board of directors (or equivalent governing body): \_\_\_\_\_.
- (vi) Does any shareholder own five percent (5%) or more of the voting shares directly or beneficially? Yes ☐ No ☐
- If "Yes," please attach name and percentage of holdings.
- (vii) Are there any other securities convertible to voting stock? Yes ☐ No ☐

If "Yes," please attach complete details.

(c) For those entities proposed for insurance whose securities are not publicly traded or subject of a shelf registration, please attach the following information for each entity:

If included as an attachment herein, check here ☐.

(i) Total number of voting shares outstanding: \_\_\_\_\_.

(ii) Total number of voting shareholders: \_\_\_\_\_.

(iii) Total number of voting shares owned by members of its Board of Directors (or equivalent governing body) (direct and beneficial): \_\_\_\_\_.

(iv) Total number of voting shares owned by its Directors or Officers (direct and beneficial) who are not members of its Board of Directors (or equivalent governing body): \_\_\_\_\_.

(v) Does any shareholder own five percent (5%) or more of the voting shares of such entity directly or beneficially? Yes ☐ No ☐

If "Yes," attach name and percentage of holdings.

**Section E. EMPLOYMENT PRACTICES INFORMATION** Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for this coverage.

Please provide the following information regarding Employees, including Directors and Officers:

1. Enter the TOTAL number of employees (by type) in the boxes below.

*Note: Seasonal, Temporary and Leased Employees are to be included as Part-Time employees (Non-Union if Domestic)*

**Number Employees in ALL STATES/JURISDICTIONS:**

	Domestic		Foreign
	Union	Non-Union	
Full Time			
Part Time			

Total Number of Independent Contractors	
---	--

2. Enter the number of employees (by type) in the specified jurisdictions ONLY in the boxes below.

*Note: Seasonal, Temporary and Leased Employees are to be included as Part-Time employees (Non-Union if Domestic)*

**Number of Employees located in CALIFORNIA ONLY:**

	Domestic	
	Union	Non-Union
Full Time		
Part Time		

Total Number of Independent Contractors	
---	--

**Number of Employees located in DISTRICT OF COLUMBIA, FLORIDA, MICHIGAN & TEXAS ONLY (collectively):**

	Domestic	
	Union	Non-Union
Full Time		
Part Time		

Total Number of Independent Contractors	
---	--

3. For the past 3 years, what has been the annual percentage turnover rate of employees (all locations)?

Domestic: Year \_\_\_\_\_, \_\_\_\_\_%      Year \_\_\_\_\_, \_\_\_\_\_%      Year \_\_\_\_\_, \_\_\_\_\_%  
 Foreign: Year \_\_\_\_\_, \_\_\_\_\_%      Year \_\_\_\_\_, \_\_\_\_\_%      Year \_\_\_\_\_, \_\_\_\_\_%

4. Does the Applicant and any of its Subsidiaries have a Human Resources or Personnel Department?

Yes ☐ No ☐

If "No," does the Applicant and any of its Subsidiaries have other designated/qualified staff member(s) serving the equivalent function? Yes ☐ No ☐

For all "No" answers, how are these issues handled and by whom? Please attach full details.

5. Does the Applicant or any of its Subsidiaries have a human resources manual or equivalent written management guidelines? Yes ☐ No ☐

If "Yes", does it address the following issues?

Legally prohibited Discrimination Yes ☐ No ☐

Sexual Harassment Yes ☐ No ☐

Compliance with the Americans with Disabilities Act Yes ☐ No ☐

Compliance with the 1991 Civil Rights Act Yes ☐ No ☐

Compliance with the Family Medical Leave Act Yes ☐ No ☐

Employee disciplinary actions Yes ☐ No ☐

Terminations, layoffs and early retirements Yes ☐ No ☐

Employee appraisals / reviews Yes ☐ No ☐

For all "No" answers, how are these issues handled and by whom? Please attach full details.

6. Do employees certify that they have reviewed the HR material and will comply with its Terms and Conditions?

Yes ☐ No ☐

7. Do these staff members receive training in the proper implementation of your personnel policies and



procedures? Yes ☐ No ☐

8. Does the Applicant and any of its Subsidiaries have an Employee Handbook? Yes ☐ No ☐

If "Yes," is the Employment Handbook distributed to all employees or maintained on an Internet location informing employees of their employment rights? Yes ☐ No ☐

9. Does the Applicant and any of its Subsidiaries conduct employee training with regards to discrimination and harassment? Yes ☐ No ☐

10. Has the Applicant and any of its Subsidiaries implemented and adopted anti-discrimination/harassment policies? Yes ☐ No ☐

11. Is there a formalized process in place for reporting complaints/ harassment? Yes ☐ No ☐

If "Yes," do employees know this action will not result in a retaliatory action? Yes ☐ No ☐

12. Has Legal Counsel reviewed the HR Guidelines in the last 2 years? Yes ☐ No ☐

13. Are employment issues relating to terminations, discriminations, sexual harassment, layoffs, transfers, or promotions handled by the Human Resources Department, Outside Counsel and/or the Legal Department? Yes ☐ No ☐

If "Yes," please provide details.

If "No," please provide details on how these issues are handled.

14. Is the Applicant or any of its Subsidiaries currently undergoing or does the Applicant or any of its Subsidiaries contemplate undergoing during the next twelve (12) months any employee layoffs or early retirements (including ones resulting from any type of company restructuring or office, plant or store closing)?

Yes ☐ No ☐

If "Yes", please attach full details.

(a) Have there been any structured layoffs in the past twenty-four (24) months? Yes ☐ No ☐

If "Yes," what percentage of employees? ☐ 1-10% ☐ 11-25% ☐ Over 25%

(b) Did the Applicant or any of its Subsidiaries use Outside Counsel during the lay off procedure? Yes ☐ No ☐

(c) Were severance packages offered in exchange for releases not to sue and will they be offered for future layoffs? Yes ☐ No ☐

(d) Please provide the number of layoffs that have occurred or are about to occur. \_\_\_\_\_

(e) Does the Applicant or any of its Subsidiaries have procedures in place to assist terminated or laid off employees find work? Yes ☐ No ☐

15. Has a discrimination or harassment claim been filed against an executive or officer in the last five (5) years? Yes ☐ No ☐

If "Yes," please describe the claim, the disposition of same and the disciplinary action taken against that executive or officer.

16. Does the Applicant ensure that each employee is aware of state and federal discrimination, sexual harassment and civil rights laws with respect to third parties (i.e. clients or customers)? Yes ☐ No ☐

17. Does the Applicant have policies or procedures outlining employee conduct when interacting with third parties (i.e. customers or clients)? Yes ☐ No ☐

If "Yes," please provide a copy.

18. Has the Applicant implemented a formal procedure for recording and handling the discrimination, sexual harassment and civil rights complaints of third parties (i.e. customers or clients)? Yes ☐ No ☐

If "Yes," please provide a copy.

**Section F. FIDUCIARY LIABILITY INFORMATION** Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for this coverage.

1. List of Plans for which coverage is requested:

If included as an attachment herein check here ☐.

Full name of plan to be covered	Type of Plan (fill in all that apply) *	Does the Plan invest in employer securities?	Total amount of plan assets	Number of Plan participants	Are all plan assets held in trust by a bank, registered investment company or insurance company?	Does the Plan hold or permit investment in collectibles?
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

\*Types of Plans:

1 = 401(k)	2 = Profit Sharing	3 = ESOP	4 = Money Purchase Pension	5 = Defined Benefit
6 = Cash Balance	7 = Welfare Benefit	8 = Stock Option Plan	9 = Multiemployer Plan or Multiple Employer Plan	10 = Other

2. If you listed any 401(k) plan(s) in Question 1, please answer this question. If there is no 401(k) plan(s), please proceed to Question 3.

(a) Do plan participants have at least three investment options, each with a materially different risk and return characteristic (for instance an equities fund, a bond fund, and a money market fund)? ☐ Yes ☐ No

3. If you listed any defined benefit plan(s) in Question 1, please answer this question. If there are no defined benefit plan(s), please proceed to Question 4.

(a) Are all defined benefit plans adequately funded in accordance with ERISA or any applicable similar, common or statutory law of the United States, Canada or any state or other jurisdiction anywhere in the world, as attested to by an actuary? Yes ☐ No ☐

(b) Are there any overdue employer contributions for any plan, or has any plan requested or contemplated filing a request for a waiver of contributions? Yes ☐ No ☐

(c) Has any defined benefit plan undergone a conversion to a cash balance plan or is any such conversion being considered? Yes ☐ No ☐

4. If in the answer to Question 1 above, you indicated that any plan invests in employer securities, please

complete the following:

(a) Was the value of the shares in the plan established through an independent appraisal performed annually?

Yes ☐ No ☐

(b) What is the per-share value now? \$ \_\_\_\_\_

What was the per share value the year before? \$ \_\_\_\_\_

What was the per share value the year before that? \$ \_\_\_\_\_

What was the per share value at plan establishment? \$ \_\_\_\_\_

5. In the past twenty-four (24) months has there been, or in the next twelve (12) months is there anticipated, any amendment that has resulted in or is expected to result in any reduction of benefits, including but not limited to an increase in participants' share of costs? Yes ☐ No ☐

If "Yes," please attach complete details.

6. Have any of the Applicant's plans (or portion of any plan) been spun off (sold), transferred, or terminated or is any such transaction contemplated? Yes ☐ No ☐

If "Yes," please attach complete details.

**Section G. BANKERS PROFESSIONAL LIABILITY INFORMATION** Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for this coverage.

1. (a) Regulatory agency with examination authority: \_\_\_\_\_

(b) Date of last examination: \_\_\_\_\_

2. Does Applicant have a Banker's Blanket Bond in force? Yes ☐ No ☐

If "Yes," please indicate the following:

Name of Carrier: \_\_\_\_\_ Limit of Liability: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

3. To request coverage for a professional service, please place an "X" in the box next to each professional service requested and complete the corresponding Section in the Bankers Professional Liability Supplemental Application:

☐ (1) The administration of trusts, estates or guardianships within the Company's Trust Department, including the rendering of investment advice and valuation services in connection therewith.

☐ (2) The administration of Individual Retirement Accounts or Keogh Retirement Accounts.

☐ (3) Acting as a receiver, trustee in bankruptcy or assignee for the benefit of creditors.

☐ (4) The administration of a program for the lending of securities administered for trust and custodial customers where there is a specific written instrument authorizing the applicant to so act on behalf of such customer.

☐ (5) Acting as a trustee under bond indenture.

☐ (6) Acting as a dividend disbursing agent, exchange agent, redemption or subscription agent, or warrant or scrip agent.

☐ (7) Acting as a fiscal or paying agent, or tax withholding agent.

☐ (8) Acting as a custodian or depository, or a managing agent for securities or money.

☐ (9) Acting as an escrow agent.

- ☐ (10) Acting as a registrar, transfer agent or clearing agent.
- ☐ (11) Acting as a fiduciary as defined by the Employee Retirement Income Security Act of 1974.
- ☐ (12) Acting as a tax planner and/or tax preparer to trusts, estates and individuals.
- ☐ (13) The servicing of any loan, lease or extension of credit including, but not limited to, record keeping, billing and disbursements of principal and interest, insurance premium and taxes, determination of the depreciation amounts for leased property (but not for projections of or an appraisal for residual value of leased property); Loans shall include all types of consumer or commercial lending activity including consumer finance, commercial finance, consumer banking and mortgage banking (including mortgage backed securities or other securities representing pooled assets) except financing for Leveraged Buy-Outs.
- ☐ (14) Acting as a securities broker/dealer for the account of others.
- ☐ (15) Sale of Municipal General Obligation Bonds with an rating of A + or better by Standard & Poor's or A1 or better by Moody's Investors Services at the time of issuance.
- ☐ (16) Acting as an investment advisor and/or financial advisor and/or economic advisor and/or investment manager (unless acting as an Investment Advisor to Investment Companies, as each is defined in the Investment Company Act of 1940) pursuant to a written contract defining the scope of such advice and/or services and the compensation to be paid therefore, provided that these services are not rendered in the Insured's trust department.
- ☐ (17) Acting as a consumer financial planner to individuals.
- ☐ (18) Acting as a wire transfer agent.
- ☐ (19) Accounting, net asset valuation or transfer services for mutual funds that are Open-End Investment Companies as registered with the Securities and Exchange Commission under the Investment Company Act of 1940.
- ☐ (20) Acting as a notary public.
- ☐ (21) Acting as a real estate broker or agent or real estate appraiser and/or managing real or personal property for others (other than Real Estate Investment Trust Management).
- ☐ (22) Acting as an insurance agent or broker, or otherwise rendering advice or recommendations regarding insurance.
- ☐ (23) Sale of travelers checks, certified checks or money orders.
- ☐ (24) The administration or sale of credit cards or credit card services.
- ☐ (25) The administration or lease of lockboxes.
- ☐ (26) Electronic data processing services, data collection services or acting as a custodian for database or sensitive information stored electronically.
- ☐ (27) Specified Other Professional Service not listed above.

**Section H. INSURANCE COMPANY LIABILITY INFORMATION** Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for this coverage.

1. What is the percentage of revenues derived from each of the following:

Property & Casualty: _____ %	Life, Accident & Health: _____ %
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Reinsurance: \_\_\_\_\_%

Other (please explain): \_\_\_\_\_%

2. (a) Direct written premium for all entities for most recent year: \$ \_\_\_\_\_
- (b) Estimated direct written premium for all entities for current year: \$ \_\_\_\_\_
- (c) Net written premium for all entities for most recent year: \$ \_\_\_\_\_
- (d) Estimated net written premium for all entities for current year: \$ \_\_\_\_\_
3. Are any services performed by the Applicant for non-policyholders? (e.g., claims adjusting, safety engineering, loss control, actuarial consulting, rehabilitation services, premium financing, other.) Please list, describe and include expected revenues generated. If included as an attachment herein check here ☐.

4. (a) Regarding facultative and treaty reinsurance contracts Applicant buys to reinsure itself, with respect to coverage of punitive and exemplary damages the contracts are:

☐ Silent

☐ Specifically Included

☐ Specifically Excluded

- (b) Please provide names of principal treaty reinsurers of Applicant and their respective ratings:

Principal Treaty Reinsurers of Applicant	Reinsurers' Ratings

5. Claim Services:

- (a) Number of claims handling personnel:

Adjusters: _____	Medical Staff: _____
Examiners: _____	Attorneys: _____

- (b) Approximate total number of claims handled annually:

ALBI: _____	ALPD: _____	APHD: _____	GL: _____	WC: _____
Life Individual: _____	Life Group: _____	A&H Individual: _____	A&H Group: _____	Other (please describe): _____
Miscellaneous Casualty & Fire & Allied: _____				

- (c) Does the Applicant contract outside adjustment services? Yes ☐ No ☐

If "Yes," please indicate the percentage of claims that are handled by outside adjustment services and attach a copy of standard contract. \_\_\_\_\_%

6. List the five largest premium volume states and approximate Direct Written Premium for each state:

State	Direct Written Premium
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

7. Total Premium Volume:

	Last Year	Current Year
Direct Written Premium	\$ _____	\$ _____
Net Written Premium	\$ _____	\$ _____

8. Please provide the following information regarding the Applicant's procedures for the handling, assessment and monitoring of all actual lawsuits against the Applicant, its directors, officers or employees for Wrongful Acts in the performance of Professional Services (as defined in the Insurance Company Liability Coverage Section of the policy), including, but not limited to, lawsuits alleging errors or omissions or seeking extra-contractual, punitive or bad faith damages.

(a) Does the applicant have established procedures? Yes ☐ No ☐

If "Yes," please describe:

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(b) Is a written directive for these procedures in effect? Yes ☐ No ☐

If "Yes," please provide a copy.

(c) Who is (are) the senior person(s) responsible (i.e., senior claims department personnel, general counsel, etc.) monitoring and assessing lawsuits of this nature?

Name(s)	Title(s)	Department(s)
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Section I. netADVANTAGE SECURITY & PRIVACY LIABILITY INFORMATION** Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for this coverage.

1. Does the Applicant have a written corporate-wide privacy policy? Yes ☐ No ☐

If "Yes," please attach a copy and answer the questions below:

(a) Has it been reviewed by a qualified attorney? Yes ☐ No ☐

(b) Does the Applicant's privacy policy allow you to share information with third parties?

☐ Yes, if consumers "opt in"

☐ Yes, unless consumers "opt out"

☐ No

2. Does the Applicant collect, store, maintain, or distribute credit card data or personally identifiable consumer information? Yes ☐ No ☐

If "Yes," please describe below:

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3. Does Applicant have an Internet privacy policy posted on its website? Yes ☐ No ☐

If "Yes," has it been reviewed by a qualified attorney? Yes ☐ No ☐

4. How often is the Applicant's privacy policies reviewed and updated?

☐ Annually ☐ Quarterly ☐ Other: \_\_\_\_\_

5. Does Applicant employ a chief privacy officer? Yes ☐ No ☐

If "No," what position is responsible for management of, and compliance with, Applicant's privacy policies?

\_\_\_\_\_

6. Within the past two (2) years, has Applicant passed an outside privacy audit or has Applicant received a privacy certification? Yes ☐ No ☐

If "Yes," please provide a copy.

7. Within the last twelve (12) months, has Applicant completed an internal audit or assessment to determine Applicant's compliance with regulations and laws concerning the protection of privacy rights? Yes ☐ No ☐

If "Yes," please answer the following:

(a) Have all recommendations or issues been resolved? Yes ☐ No ☐

(i) If "No," please describe the recommendation(s), outline timetable for compliance or explain why the recommendation(s) will not be implemented: \_\_\_\_\_

\_\_\_\_\_

If included as an attachment herein check here ☐.

8. Within the past two (2) years, has Applicant passed an outside privacy audit or has Applicant received a privacy certification? Yes ☐ No ☐

If "Yes," please provide a copy.

9. Within the last twelve (12) months, has Applicant completed an internal audit or assessment to determine compliance with Applicant's privacy policy? Yes ☐ No ☐

If "Yes," please answer the following:

(a) Have all recommendations or issues been resolved? Yes ☐ No ☐

(i) If "No," please describe the recommendation(s), outline timetable for compliance or explain why the recommendation(s) will not be implemented: \_\_\_\_\_

\_\_\_\_\_

If included as an attachment herein check here ☐.

10. Does Applicant have a document retention and destruction policy? Yes ☐ No ☐

11. Does Applicant have, and enforce, a clean desk policy?

☐ Yes, for all areas ☐ Yes, in selected areas ☐ No

If the clean desk policy only applies to selected areas, please describe: \_\_\_\_\_

12. Does the Applicant provide training for employees on privacy, data security and related issues? Yes ☐ No ☐

13. Has the Applicant entered into any data sharing or interchange agreements with another entity? Yes ☐ No ☐

If "Yes," please answer the following:

(a) Does Applicant require others providing data processing or technology services to Applicant to sign a data

sharing or interchange agreements, or does Applicant otherwise address responsibility for securing data in your written contracts with such entities? Yes ☐ No ☐

(b) Are all contracts reviewed by legal counsel? Yes ☐ No ☐

If "Yes," to 13(a) or (b) above, please provide a copy of Applicant's standard contract.

14. (a) Does Applicant's contracts with vendors and others with whom Applicant shares Personally Identifiable Information require the other party to defend and indemnify Applicant for legal liability arising from any release or disclosure of the information due to the negligence of the vendor or other party? Yes ☐ No ☐

(b) Does Applicant require vendors to maintain professional liability insurance? Yes ☐ No ☐

15. Does Applicant require all vendors to whom Applicant outsources technology or data processing functions to demonstrate adequate security of computer systems? Yes ☐ No ☐

If "Yes," please check all that apply.

☐ Vendor must supply SAS 70

☐ Vendor must provide security audit

☐ Security is assessed by internal staff

☐ Other (describe: \_\_\_\_\_)

16. In all cases, does the Applicant's hiring procedure include the following? Please check all that apply.

	<u>All Employees</u>	<u>Some Employees*</u>	<u>All Independent Contractors</u>	<u>Not Required</u>
Criminal Convictions:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Educational Background:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit Check:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drug Testing:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Work History:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*If hiring procedures are only required in some cases, please describe when such procedure is required:

\_\_\_\_\_

17. Does the Applicant sell, or otherwise release consumer or client information to:

(a) Related entities? Yes ☐ No ☐

(b) Outside entities? Yes ☐ No ☐

If "Yes," to 17(a) or (b) above, in all cases is the Applicant's agreement to sell or release such information subject to a written agreement? Yes ☐ No ☐

Please attach a copy of Applicant's written agreement to sell or release information.

If no written agreement is required, please describe the exact circumstances when written agreements are not required. \_\_\_\_\_

If included as an attachment herein check here ☐.

**Section J. EMPLOYED LAWYERS PROFESSIONAL LIABILITY INFORMATION** Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for this coverage.



1. Please provide the number of attorneys employed by the Applicant in their capacity as such: \_\_\_\_\_
  2. Does the Applicant's legal department provide legal advice or issue a legal opinion with respect to securities law or certify a registration statement filed under the Securities Exchange Act of 1934? Yes ☐ No ☐
  3. (a) Does any employed lawyer serve on the Board of Directors or equivalent governing body of the Applicant or its subsidiaries? Yes ☐ No ☐
  - (b) Does the Applicant or its subsidiaries permit or require employed lawyers to issue written legal opinions to outside parties in connection with sales, acquisitions or other transactions? Yes ☐ No ☐
  - (c) Does any employed lawyer serve on a due diligence committee or perform legal services regarding any merger, acquisition or a consolidation of or by the Applicant or its subsidiaries? Yes ☐ No ☐
  4. Do the Applicant's employed lawyers appear in court on behalf of the Applicant or any other party? Yes ☐ No ☐
  5. Does the Applicant wish to exclude coverage for acts of employed lawyers that are committed outside of the course of their employment by the Applicant? Yes ☐ No ☐
- If "No," does any employed lawyer provide personal legal services with respect to criminal, matrimonial, or intellectual property law or estate/financial planning? Yes ☐ No ☐

#### Section K. CLAIM REPORTING PROCEDURES

1. Within the Applicant and its Subsidiaries, where or to whom are lawsuits, administrative charges and demand letters reported?  
General Counsel: \_\_\_\_\_ Human Resources: \_\_\_\_\_ Risk Management: \_\_\_\_\_ Other: \_\_\_\_\_
2. Does the Applicant have a mechanism in place for its operating companies to immediately report lawsuits, administrative charges and demand letter to a corporate office of General Counsel, Human Resources or Risk Management? ☐ Yes ☐ No
3. Name of Risk Manager and/or General Counsel (or equivalent position) and number of years in current position:  
Name: \_\_\_\_\_ Title: \_\_\_\_\_ Years in Current Position: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_ Phone Number: \_\_\_\_\_

#### Section L. POLICY COVERAGE DETAILS

AGGREGATE LIMIT OF LIABILITY REQUESTED FOR ALL COVERAGE SECTIONS: \$ \_\_\_\_\_

Coverage	Separate Limit of Liability Requested:	Shared Limit of Liability Requested (indicate which Coverage Sections would share limits)	Self-Insured Retention Requested
Private Company Directors and Officers Liability	\$ _____	\$ _____	Securities Claims: \$ _____
			All Other Claims: \$ _____
Public Company Directors and Officers Liability	\$ _____	\$ _____	Securities Claims: \$ _____
			All Other Claims: \$ _____
Employment Practices Liability	\$ _____	\$ _____	\$ _____
Fiduciary Liability	\$ _____	\$ _____	\$ _____

Bankers Professional Liability	\$ _____	\$ _____	\$ _____
Insurance Company Liability	\$ _____	\$ _____	\$ _____
AIG netAdvantage Security & Privacy Liability	\$ _____	\$ _____	\$ _____
Employed Lawyers Professional Liability	\$ _____	\$ _____	\$ _____

#### Section M. CURRENT INSURANCE DETAILS

1. For the coverages the Applicant is applying for via this Application (for which the Applicant currently has similar insurance), provide the following details of such current insurance:

If included as an attachment herein check here ☐.

Coverage	Does the Applicant currently have such insurance?	Current Policy Expiration Date	Current Limit	Current Retention	Current Premium	Current Carrier	Continuity Date	Loss Experience in prior 3 years? If "Yes," please attach details
Private Company Directors and Officers Liability	Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____	\$ _____	\$ _____	_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
Public Company Directors and Officers Liability	Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____	\$ _____	\$ _____	_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
Employment Practices Liability	Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____	\$ _____	\$ _____	_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
Fiduciary Liability	Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____	\$ _____	\$ _____	_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
Bankers Professional Liability	Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____ \$ _____	\$ _____ \$ _____	\$ _____ \$ _____	_____	_____ Retroactive Date: _____	Yes <input type="checkbox"/> No <input type="checkbox"/>
Insurance Company Liability	Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____	\$ _____	\$ _____	_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
netAdvantage Security & Privacy Liability	Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____ \$ _____	\$ _____ \$ _____	\$ _____ \$ _____	_____	_____ Retroactive Date: _____	Yes <input type="checkbox"/> No <input type="checkbox"/>
Employed Lawyers Professional Liability	Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____	\$ _____	\$ _____	_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>

2. Has any insurance carrier refused, canceled or non-renewed any public directors and officers liability or executive liability insurance coverage? Yes ☐ No ☐ **\*MISSOURI APPLICANTS NEED NOT REPLY**  
If "Yes," attach full details including when and reason(s).

**WE MAY REQUIRE THE FOLLOWING ADDITIONAL INFORMATION:**

1. Completed, Signed and Currently Dated Original Application.
2. Copy of the indemnification provisions of the Applicant's charter and by-laws.
3. Copy of the Applicant's Employee Handbook and Human Resources Manual.
4. Latest Applicant Financials (with Treasurers Warranty Letter if not audited.)
5. If applying for Public Company Directors and Officers Liability, then provide copies of the following for the Applicant and, to the extent available, each of its Subsidiaries. If attached please indicate below. If such information is available on the Company's website, please indicate below and provide website address:

Requested Information	"Attached"	"Website"
(a) Latest annual report.	<input type="checkbox"/>	<input type="checkbox"/>
(b) Latest 10K report filed with the Securities and Exchange Commission (SEC) (or similar state or foreign agency).	<input type="checkbox"/>	<input type="checkbox"/>
(c) Latest interim financial statement available.	<input type="checkbox"/>	<input type="checkbox"/>
(d) All proxy statements and notices of Annual Meeting of Stockholders within the last twelve months.	<input type="checkbox"/>	<input type="checkbox"/>
(e) All registration statements filed with the SEC (or similar state or foreign agency) within the last twelve months.	<input type="checkbox"/>	<input type="checkbox"/>
(f) Latest CPA management letter along with Applicant's responses to any recommendations made therein.	<input type="checkbox"/>	<input type="checkbox"/>

6. Mainform Application from current carrier (if applicable).
7. Copy of Registration Statement(s).
8. For the Applicant's five largest Pension Plans (in terms of total assets), copies of the most recent Form 5500s with all attachments, including the latest CPA-audited financial statements (if applicable). If plans are exempt from audit, plan investment portfolios.
9. For each Applicant Plan whose assets at any time within twelve months prior to the inception date of this policy was comprised of 20% or more of securities of the Named Entity, the latest CPA-audited financial statement (with investment portfolio), and complete copy of independent appraisal of employer securities, if applicable.
10. Written plan description and latest financial statement, if applicable, for any Applicant non-qualified plans.
11. If applying for Bankers Professional Liability, please provide all promotional materials and specimen contracts applicable for each Professional Service selected.
12. Any and all additional information or documentation the Insurer may require to underwrite this policy.

THE UNDERSIGNED AUTHORIZED OFFICER OF THE APPLICANT DECLARES THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE. THE UNDERSIGNED AUTHORIZED OFFICER AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, HE/SHE (UNDERSIGNED) WILL, IN ORDER FOR THE INFORMATION TO BE ACCURATE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES,

**AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS AND/OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE.**

**SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO AND BECOME PART OF THE POLICY.**

**ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF.**

**NOTICE TO APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR, CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT ACT, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

**NOTICE TO ARKANSAS AND NEW MEXICO APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT, OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

**NOTICE TO COLORADO APPLICANTS:** IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AUTHORITIES

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.

**NOTICE TO FLORIDA APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY IN THE THIRD DEGREE.

**NOTICE TO KENTUCKY APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

**NOTICE TO LOUISIANA APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

**NOTICE TO MAINE APPLICANTS:** IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

**NOTICE TO NEW JERSEY APPLICANTS:** ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

**NOTICE TO OHIO APPLICANTS:** ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

**NOTICE TO OKLAHOMA APPLICANTS:** WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY (365:15-1-10, 36 §3613.1).

**NOTICE TO PENNSYLVANIA APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

**NOTICE TO TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS:** IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

**NOTICE TO NEW YORK APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

Signed \_\_\_\_\_

(Applicant)

Attest \_\_\_\_\_

Date \_\_\_\_\_

Broker \_\_\_\_\_

Title \_\_\_\_\_

(Must be signed by President, Chairman,  
Chief Executive Officer or Chief Financial Officer)

License # \_\_\_\_\_

Address \_\_\_\_\_

Please read the following statement carefully and sign where indicated. If a policy is issued, this signed statement will be attached to the policy.

The undersigned authorized officer of the Applicant hereby acknowledges that he/she is aware that the limit of liability contained in this policy shall be reduced, and may be completely exhausted, by the costs of legal defense and, in such event, the insurer shall not be liable for the costs of legal defense or for the amount of any judgment or settlement to the extent that such exceeds the limit of liability of this policy.

The undersigned authorized officer of the Applicant hereby acknowledges that he/she is aware that legal defense costs that are incurred shall be applied against the retention amount.

Signed \_\_\_\_\_

(Applicant)

Date \_\_\_\_\_

Title \_\_\_\_\_

(Must be signed by President, Chairman,  
Chief Executive Officer or Chief Financial Officer)



## AIG EXECUTIVE LIABILITY<sup>SM</sup>

Insurance provided by a member company of American International Group, Inc.

Name of Insurance Company to which Application is made (herein called the "Insurer")

### Bankers Professional Liability Supplemental Application to the Financial Institutions Risk Protector<sup>®</sup> Application

**NOTICE AND INSTRUCTIONS:** This supplemental application is attached to, and part of, the Financial Institutions Risk Protector<sup>SM</sup> Application completed by the Applicant. Complete all Sections for the professional services that you have requested in Section F.3 of the Financial Institutions Risk Protector<sup>SM</sup> Application. Any policy issued by the Insurer shall rely upon the truth and accuracy of the statements, representations and materials submitted in connection with this supplemental application which shall form the basis of any such policy should one be issued. It is essential that all the questions be answered accurately and completely.

**Section 1.** *The administration of trusts, estates or guardianships within the Company's Trust Department, including the rendering of investment advice and valuation services in connection therewith.*

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. (a) Year Trust Department established: \_\_\_\_\_  
(b) Number of branches with trust functions: \_\_\_\_\_  
(c) Staffing:
  - (i) Average length of trust experience for all trust officers \_\_\_\_\_
  - (ii) Have there been any changes in senior management of trust functions within the past three (3) years?  
Yes ☐ No ☐  
If "Yes," please explain: \_\_\_\_\_

2. With respect to all accounts in the Trust Department, please provide the following (include consolidated information for the Applicant and all Subsidiaries):

	Number of Accounts	Market Value Assets Managed (in 000's)	Discretionary	Advisory	Custodial
Individual Accounts, Trusts, Estates (excluding ERISA)		\$	%	%	%

<b>ERISA Accounts:</b>		\$	%	%	%
• Fiduciary Plans		\$	%	%	%
• Non-ERISA Pension Plans		\$	%	%	%
• Other Institutional		\$	%	%	%
• Other (please specify): _____		\$	%	%	%
<b>Corporate Trust:</b>		\$	%	%	%
• Trustee under Bond Indenture		\$	%	%	%
• Fiscal Agent		\$	%	%	%
• Escrow Agent		\$	%	%	%
• Register		\$	%	%	%
• Dividend Disbursing		\$	%	%	%
• All Other (please specify): _____		\$	%	%	%
<b>Mutual Funds:</b>		\$		%	%
• Custodian		\$	%	%	%
• Transfer Agent		\$	%	%	%
• Register		\$	%	%	%
• Dividend Disbursing		\$	%	%	%
• All Other (please specify): _____		\$	%	%	%
<b>TOTAL</b>		\$	%	%	%

3. Trust Accounts:

4. (a) Is this service rendered under a contract? Yes ☐ No ☐

(1) Asset value of largest Managed/Discretionary account	\$
(2) Asset value of largest Non-Discretionary account	\$
(3) Asset value of largest custodial account	\$
(4) Average number of accounts handled per officer	

(b) If 4(a) is "Yes," please answer the following:

(1) Are all contracts approved by counsel? Yes ☐ No ☐

(2) Do all contracts provide indemnity and/or limitations to the Applicant's liability? Yes ☐ No ☐

(c) If 4(a), (b)(1) or (b)(2) are "No," please describe by addendum how the Applicant protects itself from liabilities of its predecessors, if any.

5. Does the Trust Department perform management or advisory functions with respect to:

		Yes	No	If "Yes," % of Trust Department Assets	% of Trust Revenue	No. of Clients
(a)	Closely-held businesses	<input type="checkbox"/>	<input type="checkbox"/>	%	%	
(b)	Farm and ranches	<input type="checkbox"/>	<input type="checkbox"/>	%	%	
(c)	Other real estate (please specify): _____	<input type="checkbox"/>	<input type="checkbox"/>	_____%	_____%	
(d)	Oil, gas or other mineral	<input type="checkbox"/>	<input type="checkbox"/>	%	%	
(e)	Timber assets	<input type="checkbox"/>	<input type="checkbox"/>	%	%	
(f)	Other	<input type="checkbox"/>	<input type="checkbox"/>	%	%	

6. Does the investment division of the Trust Department recommend or provide any of the following specialty investments:

		Yes	No	If "Yes," % of Total Investment Assets
(a)	Below Investment Grade Bond	<input type="checkbox"/>	<input type="checkbox"/>	\$
(b)	Cattle Trusts or Ventures	<input type="checkbox"/>	<input type="checkbox"/>	\$
(c)	Commodities or Commodity Futures	<input type="checkbox"/>	<input type="checkbox"/>	\$
(d)	Other Futures	<input type="checkbox"/>	<input type="checkbox"/>	\$
(e)	Precious Metals	<input type="checkbox"/>	<input type="checkbox"/>	\$
(f)	Mortgages, Mortgage Pools, or Other Mortgage Backed Securities	<input type="checkbox"/>	<input type="checkbox"/>	\$
(g)	Oil/Gas Leases or Investments	<input type="checkbox"/>	<input type="checkbox"/>	\$
(h)	Option Contracts	<input type="checkbox"/>	<input type="checkbox"/>	\$
(i)	General or Limited Partnerships	<input type="checkbox"/>	<input type="checkbox"/>	\$
(j)	Real Estate	<input type="checkbox"/>	<input type="checkbox"/>	\$
(k)	Foreign Securities listed on North American Exchange	<input type="checkbox"/>	<input type="checkbox"/>	\$
(l)	Securities (Non-Domestic Stock Exchange)	<input type="checkbox"/>	<input type="checkbox"/>	\$
(m)	Over the counter Securities	<input type="checkbox"/>	<input type="checkbox"/>	\$
(n)	Restricted Securities	<input type="checkbox"/>	<input type="checkbox"/>	\$

7. (a) Does the Trust Department have an approved list of securities which can be recommended to its clients?  
Yes ☐ No ☐



(b) How are exceptions to the list handled? \_\_\_\_\_

8. Does the Trust Department invest assets in any CD's provided by the Applicant or in the stock of the Applicant? Yes ☐ No ☐

If "Yes," are these investments approved in a trust agreement? Yes ☐ No ☐

9. (a) Does the Trust Department enter into any Repurchase/Reverse Repurchase Agreements and/or similar type transactions with Broker-Dealers in securities that involve the assets of any trust account? Yes ☐ No ☐

(b) If "Yes," please attach a list of dollar amounts outstanding and the name(s) of the Broker-Dealer.

(c) Please describe the procedures used to account for collateral in these types of transactions:

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10. Does the Trust Committee:

(a) Approve new accounts? Yes ☐ No ☐

(b) Approve closing of accounts? Yes ☐ No ☐

(c) Annually review administration of accounts? Yes ☐ No ☐

(d) Annually review discretionary distributions? Yes ☐ No ☐

(e) Annually review the investments in each account? Yes ☐ No ☐

If "No" to any of the above, please describe by addendum, procedures applying to the above situations.

11. Are directors, officers, and employees prohibited from purchasing trust assets? Yes ☐ No ☐

12. Does the Applicant have a special unit which administers accounts which are subject to ERISA?

Yes ☐ No ☐

If "No," please describe the procedures for insuring that such accounts are administered in compliance with ERISA. \_\_\_\_\_

13. (a) State the frequency and dates of the most recent internal, external, and regulatory audits of Trust

Department and Common Trust Funds:

	TRUST DEPARTMENT		COMMON TRUST FUNDS	
	Frequency	Audit	Frequency	Audit
Internal		/ /		/ /
External		/ /		/ /
Regulatory		/ /		/ /

- (b) Were any recommendations or criticisms made in the most recent audits and have all recommendations or criticisms been corrected?

	RECOMMENDATIONS		CORRECTED	
	Yes	No	Yes	No
Internal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
External	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Regulatory	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

14. Has the Applicant divested or discontinued any trust functions within the past 24 months or does it intend to do so within the next 12 months? Yes ☐ No ☐

If "Yes," please describe by addendum.

15. Does the Applicant control 5% or more of the stock of any corporation via its trust functions? Yes ☐ No ☐

If "Yes," please attach a list thereof and description of the means by which control was obtained, i.e., through individual purchase or in a single block through an existing trust or estate, additionally list any employees appointed by the Applicant to serve as director, or officer in the management of, or the actual operation of, the corporation.

16. (a) Please describe or name the trust accounting system and installation date:

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(b) Are there plans to change the trust accounting system in the next 12 months? Yes ☐ No ☐

17. Please indicate whether the Applicant performs the following Professional Services in its Trust Department.

If "Yes," please complete the Section designated for each Professional Service performed as indicated below:

The administration of individual Retirement Accounts or Keogh Retirement Accounts. <b>(Complete Section 2)</b>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Acting as a receiver, trustee in bankruptcy or assignee for the benefit of creditors. <b>(Complete Section 3)</b>	Yes <input type="checkbox"/> No <input type="checkbox"/>
The administration of a program for the lending of securities administered for trust and custodial customers where there is a specific written instrument authorizing the Applicant to so act on behalf of such customer. <b>(Complete Section 4)</b>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Acting as a trustee under bond indenture. <b>(Complete Section 5)</b>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Acting as a dividend disbursing agent, exchange agent, redemption or subscription agent, or warrant or scrip agent. <b>(Complete Section 6)</b>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Acting as a fiscal or paying agent, or tax withholding agent. <b>(Complete Section 7)</b>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Acting as a custodian or depository, or a managing agent for securities or money. <b>(Complete Section 8)</b>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Acting as an escrow agent. <b>(Complete Section 9)</b>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Acting as a registrar, transfer agent or clearing agent. <b>(Complete Section 10)</b>	Yes <input type="checkbox"/> No <input type="checkbox"/>

**Section 2.** *The administration of Individual Retirement Accounts or Keogh Retirement Accounts.*

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. Indicate:

	Total Asset Value Administered In Trust Dept.	Total Asset Value Administered Outside Trust Dept.	Number of Accounts	Value of Largest Account
IRA	\$	\$		\$
Keogh	\$	\$		\$

2. Please indicate the investment vehicles other than any CD's or Money Market Funds in which the assets of IRA and Keogh Accounts may be invested by the Applicant:

(a) Trust Department: \_\_\_\_\_

(b) Other than Trust Department: \_\_\_\_\_

3. Can funds from these accounts be invested in investment products not managed by the Applicant?

Yes ☐ No ☐

If "Yes," please indicate the types of investments and organizations which manages them:

\_\_\_\_\_

4. (a) Is this service rendered under a contract? Yes ☐ No ☐

(b) If 4(a) is "Yes," please answer the following:

(1) Are all contracts approved by counsel? Yes ☐ No ☐

(2) Do all contracts provide indemnity and/or limitations to the Applicant's liability? Yes ☐ No ☐

**Section 3.** *Acting as a receiver, trustee in bankruptcy or assignee for the benefit of creditors.* Coverage

Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. List the number of bankruptcies this service is performed for annually:

Within the Applicant's Trust Department: \_\_\_\_\_

Outside the Applicant's Trust Department: \_\_\_\_\_

2. Is the officer authorized to carry out these duties an attorney? Yes ☐ No ☐

If "No," please describe training/experience: \_\_\_\_\_

\_\_\_\_\_

3. Are separate records and accounts maintained for each creditor in each bankruptcy? Yes ☐ No ☐

If "No," indicate the policies and procedures which are followed: \_\_\_\_\_

\_\_\_\_\_

4. Do the Applicant's policies and procedures require that communications with creditors be documented in writing regarding such item as disbursement of funds, settlements, pending suits? Yes ☐ No ☐
5. What is the largest asset size bankruptcy this service has been provided for? \_\_\_\_\_
6. (a) Is this service rendered under a contract? Yes ☐ No ☐
- (b) If 6(a) is "Yes," please answer the following:
- (1) Are all contracts approved by counsel? Yes ☐ No ☐
- (2) Do all contracts provide indemnity and/or limitations to the Applicant's liability? Yes ☐ No ☐

**Section 4.** *The administration of a program for the lending of securities administered for trust and custodial customers where there is a specific written instrument authorizing the applicant to so act on behalf of such customer.*

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

		<b>Within Trust Department</b>	<b>Outside Trust Department</b>
1.	What is the average value of securities lending on a given day?	\$	\$
2.	How many Broker/Dealers or other institutions participate in the program?		
3.	List the average amount lent on a normal day.	\$	\$
4.	List the largest amount lent at anyone time in the past year.	\$	\$

5. Attach a description of the Applicant's procedures for qualifying Broker/Dealers or institutions to participate in the program and the minimum standards for participation. Include a list of approved Broker/Dealers or other institutions.
6. Please describe the minimum size and type of Accounts whose securities are selected for participation in the program: \_\_\_\_\_
7. What is the minimum amount of collateral required when making a loan? \$ \_\_\_\_\_
8. (a) Is this service rendered under a contract? Yes ☐ No ☐
- (b) If 8(a) is "Yes," please answer the following:
- (1) Are all contracts approved by counsel? Yes ☐ No ☐
- (2) Do all contracts provide indemnity and/or limitations to the Applicant's liability? Yes ☐ No ☐
9. Attach a copy of Broker/Dealer and Client Agreements.

**Section 5. Acting as a trustee under bond indenture.**

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. In each category for which the Applicant serves as trustee, please indicate the number of issues and the volume in each issue:

Type	Number of Issues	Total Volume Within Trust Department	Total Volume Outside of Trust Department	Volume of Largest Issue
Corporate		\$	\$	\$
Government Municipal		\$	\$	\$
Special Authority State		\$	\$	\$
Industrial Revenue Bonds		\$	\$	\$
Other (please specify):		\$	\$	\$

2. Are any issues in default? Yes ☐ No ☐

If "Yes," provide by addendum, information regarding the type, number of issues, and amount of debt outstanding in defaulted issues.

3. (a) Is this service rendered under a contract? Yes ☐ No ☐

(b) If 3(a) is "Yes," please answer the following:

(1) Are all contracts approved by counsel prior to acceptance of the appointment? Yes ☐ No ☐

(2) Do all contracts provide indemnity and/or limitations to the Applicant's liability? Yes ☐ No ☐

(c) If 3(a), (b)(1) or (b)(2) are "No," please describe by addendum how the Applicant protects itself from liabilities.

4. Please describe the policies and procedures which would be followed in handling threatened or actual default:

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5. Does the Applicant obtain an independent valuation of assets prior to release of collateral? Yes ☐ No ☐

If "No," please describe the policies and procedures followed: \_\_\_\_\_

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**Section 6.** *Acting as a dividend disbursing agent, exchange agent, redemption or subscription agent, or warrant or scrip agent.*

**Section 7.** *Acting as a fiscal or paying agent, or tax withholding agent.*

**Section 8.** *Acting as a custodian or depository, or a managing agent for securities or money.*

**Section 9.** *Acting as an escrow agent.*

**Section 10.** *Acting as a registrar, transfer agent or clearing agent.*

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for any of these professional services.

1. Does the Applicant engage in any of the following activities by acting as a(n):

		Yes, Within Trust Department	Yes, Outside Trust Department	No
A.	Dividend disbursing agent, exchange agent, redemption or subscription agent, or warrant or scrip agent?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B.	Fiscal or paying agent, or tax withholding agent?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C.	Custodian or depository or a managing agent for securities or money?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D.	Escrow agent?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E.	Registrar, transfer agent, or cleaning agent?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Answer the following questions for each of the activities described above. Indicate a "Yes" response by placing an "X" in the appropriate column (designated A, B, C, D, E). If the response is "No", leave blank.

		A	B	C	D	E
1.	Are the documents designating the Applicant as agent for this function reviewed by Applicant counsel prior to acceptance of the appointment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	If "No," for each activity without these written guidelines, attach by exhibit the policies and procedures followed.					
2.	Does the Applicant have written policies and procedures governing the administration of these functions including:					
	• Reconciliation of accounts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	• Handling unclaimed funds?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	• Determining whether the Applicant has received valid authority to disburse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3.	In the past 12 months, has the Applicant filed any reports with regulatory agencies (e.g., Comptroller of the Currency, SEC) as required by law or regulation, because it was not able to meet statutory or regulatory guidelines for the prompt processing of payments, transfers, or other activities cited above?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	If "Yes," provide details and a description of any corrective actions for each activity marked "Yes."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Does the Applicant maintain a separate clearing account for each of these functions which clearly segregates clients' funds from the Applicant's own accounts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	If "No," for each activity where this is not the case, please provide by attachment the details of how these funds are segregated from the Applicant's funds.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	(a) Is this service rendered under a contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(b) If 5(a) is "Yes," please answer the following:					
	(1) Are all contracts approved by counsel?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(2) Do all contracts provide indemnity and/or limitations to the Applicant's liability?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	List the total number of clients the Applicant provides each service to outside of any Trust Department operated by the Applicant.					
7.	List the annual revenue values earned from each service by the Applicant outside of any Trust Department operated by the Applicant.					

**Section 11. Acting as a fiduciary as defined by the Employee Retirement Income Security Act of 1974.**

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. For each type of the following services offered outside of any Trust Department operated by the Applicant indicate the number of accounts, total assets, and size of largest account.

Type	No. of Accounts	Total Assets	Size of Largest Account
Pension Accounts		\$	\$
401K Plans		\$	\$
Thrift Plans		\$	\$
ESOP		\$	\$
<b>Total</b>		\$	\$

2. What functions does the Applicant perform for these accounts?

Function	Assets in Category
Trustee	\$
Plan Administrator	\$
Custodian	\$
Record Keeper	\$
Investment Advisor	\$
Master Trustee	\$
Other (please specify):	\$

3. What policies and procedures are followed for monitoring the performance of other companies/professionals who are involved with the account(s)? \_\_\_\_\_

4. Does the Applicant manage a special group of pooled funds for ERISA accounts? Yes ☐ No ☐

If "Yes," submit the last two annual reports for these funds.

5. Are any assets which the Applicant holds as an ERISA fiduciary invested outside North America?

Yes ☐ No ☐

If "Yes," indicate Applicant's role:

	Assets in Category
Custodian	\$
Investment Manager	\$



6. Are any of the accounts invested in mutual funds managed by other organizations? Yes ☐ No ☐

If "Yes," please indicate the funds, investment manager and asset size:

Fund Name	Manager	Assets Invested
		\$
		\$
		\$
		\$

7. Are ERISA accounts managed by a special unit? Yes ☐ No ☐

If "Yes," please indicate average years of experience of officers. \_\_\_\_\_

8. Is the unit subject to oversight by the Applicant's Trust Committee? Yes ☐ No ☐

If "No," please indicate the policies and procedures for oversight of the activities of the unit.

9. (a) Is this service rendered under a contract? Yes ☐ No ☐

(b) If 9(a) is "Yes," please answer the following:

(1) Are all contracts approved by counsel? Yes ☐ No ☐

(2) Do all contracts provide indemnity and/or limitations to the Applicant's liability? Yes ☐ No ☐

(d) If 9(a), (b)(1) or (b)(2) are "No," please describe by addendum how the Applicant protects itself from liabilities.

**Section 12. Acting as a tax planner and/or tax preparer to trusts, estates and individuals.**

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. Indicate whether tax planning is provided for the following outside of any Trust Department operated by the Applicant:

	Yes	No	# of Accounts	Total Fees
Trusts	<input type="checkbox"/>	<input type="checkbox"/>		\$
Estates	<input type="checkbox"/>	<input type="checkbox"/>		\$
Individuals who are customers for other services	<input type="checkbox"/>	<input type="checkbox"/>		\$
Any individual not a customer for other services	<input type="checkbox"/>	<input type="checkbox"/>		\$

2. Indicate whether tax preparation is provided for the following outside of any Trust Department operated by the Applicant:

	Yes	No	# of Accounts	Total Fees
Trusts	<input type="checkbox"/>	<input type="checkbox"/>		\$
Estates	<input type="checkbox"/>	<input type="checkbox"/>		\$
Individuals who are customers for other services	<input type="checkbox"/>	<input type="checkbox"/>		\$
Any individual not a customer for other services	<input type="checkbox"/>	<input type="checkbox"/>		\$

3. If tax planning and preparation services are offered outside of the Trust Department, indicate the minimum education/experience requirements of staff: \_\_\_\_\_

4. Does the Applicant contract with third parties to provide tax planning and preparation for the Applicant's customers? Yes ☐ No ☐

If "Yes," please indicate the vendor and the services provided: \_\_\_\_\_

**Section 13.** *The servicing of any loan, lease or extension of credit including, but not limited to, record keeping, billing and disbursements of principal and interest, insurance premium and taxes, determination of the depreciation amounts for leased property (but not for projections of or an appraisal for residual value of leased property). Loans shall include all types of consumer or commercial lending activity including consumer finance, commercial finance, consumer banking and mortgage banking (including mortgage backed securities or other securities representing pooled assets) except financing for Leveraged Buy-Outs.*

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. Please list types of loans and volume in each type:

Type	Volume
All Securitized Loans	\$
All Mortgages (non-securitized)	\$
Other Consumer	\$
Other Commercial	\$
Other (please specify): _____ _____	\$

2. Please list types of leases and volume in each type:

Type	Volume
Commercial Equipment	\$
Marine	\$
Real Estate	\$
Aviation	\$
Other (please specify): _____	\$
<b>Total</b>	\$

3. (a) Is this service rendered under a contract? Yes ☐ No ☐

(b) If 3(a) is "Yes," please answer the following:

(1) Are all contracts approved by counsel? Yes ☐ No ☐

(2) Do all contracts provide indemnity and/or limitations to the Applicant's liability? Yes ☐ No ☐

(c) What clauses do the Applicant's contracts contain to protect the Applicant from the errors of any loan originators or to hold harmless or indemnify it for actions taken in accordance with contract terms?

\_\_\_\_\_

\_\_\_\_\_

4. When calculating the annual depreciation amounts for limited partners in lease arrangements, what methods and standards are followed? \_\_\_\_\_

\_\_\_\_\_

5. Please describe, by addendum, any auditing procedures associated with this service.

**Section 14. Acting as a securities broker/dealer for the account of others.**

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. (a) Year Securities Broker was established: \_\_\_\_\_
- (b) Number of Registered Representatives: \_\_\_\_\_
- (c) Total annual revenue from brokerage commissions: \_\_\_\_\_
- (d) Average daily trading volume: \_\_\_\_\_
- (e) Average daily trading volume per account: \_\_\_\_\_
- (f) Highest trading volume anyone day in past 12 months: \_\_\_\_\_
- (g) Does the Applicant's Brokerage Department offer margin account? Yes ☐ No ☐
- State percentage of volume: \_\_\_\_\_%

2. What percentage of accounts are:

Individual	%	Corporate	%
Institutional	%	Others (please specify: _____)	%

3. (a) Give number of complaints received in the past three years: \_\_\_\_\_
- (b) How many were unresolved after 60 days: \_\_\_\_\_

4. State percent of revenues which are derived from the following:

(a)	Listed Stocks	%	(h)	International Securities (non-domestic stock exchange)	%
(b)	Unlisted Stock	%	(i)	Mutual Funds	%
(c)	Bonds	%	(j)	Limited Partnerships	%
(d)	Unregistered Stocks or Bonds	%	(k)	Direct Private Placements	%
(e)	Commercial Paper	%	(l)	Market Making/Specialist	%
(f)	Options Contracts	%	(m)	Underwriting	%
(g)	Commodity Futures	%	(n)	Other (please specify): _____	%

5. (a) Does the Brokerage Department clear its own trades? Yes ☐ No ☐

(b) If "No," indicate the name of the broker or clearing agent used: \_\_\_\_\_

(c) Is the selection reviewed annually? Yes ☐ No ☐

(d) Is there a hold harmless clause in the contract with the broker or clearing agent to protect the Applicant for improperly executed trades? Yes ☐ No ☐

6. (a) Do clients sign a written brokerage contract with the Applicant's Brokerage Department? Yes ☐ No ☐

(b) Does the contract contain an arbitration agreement? Yes ☐ No ☐

(c) If the operation is a discount brokerage, does the contract or other literature given to clients clearly define the Bank's responsibility and specifically indicate that no investment advice is to be given? Yes ☐ No ☐

7. Please describe any auditing procedures associated with this service by addendum.

**Section 15. Sale of Municipal General Obligation Bonds with an rating of A+ or better by Standard & Poor's or A1 or better by Moody's Investors Services at the time of issuance.**

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. Please provide the following information:

Number of Issues Sold in Past 12 Months	
Total Volume Sold in Past 12 Months	\$
Size of Largest Issue Sold	\$

2. Does the Applicant actively recommend these bonds to its clients for investment purposes? Yes ☐ No ☐

Please describe the Applicant's marketing policies and procedures: \_\_\_\_\_

3. Are offering statements made available to potential purchasers? Yes ☐ No ☐

(a) If "Yes," does the Applicant require offering statements to be prepared by attorneys? Yes ☐ No ☐

If "Yes," please describe what criteria are used to select the attorney: \_\_\_\_\_

(b) If "Yes," does the Applicant require offering statements to include financial statements prepared by CPA's? Yes ☐ No ☐

If "Yes," please describe what criteria are used to select the CPA's: \_\_\_\_\_

4. Does the Applicant have minimum financial requirements for groups or individuals to whom it will sell bonds? Yes ☐ No ☐

If "Yes," indicate requirements: \_\_\_\_\_

5. (a) Is this service rendered under a contract? Yes ☐ No ☐

(b) If 5(a) is "Yes," please answer the following:

(1) Are all contracts approved by counsel? Yes ☐ No ☐

(2) Do all contracts provide indemnity and/or limitations to the Applicant's liability? Yes ☐ No ☐

(c) If 5(a), (b)(1) or (b)(2) are "No," please describe by addendum how the Applicant protects itself from liabilities.

**Section 16.** *Acting as an investment advisor and/or financial advisor and/or economic advisor and/or investment manager (unless acting as an Investment Advisor to Investment Companies, as each is defined in the Investment Company Act of 1940) pursuant to a written contract defining the scope of such advice and/or services and the compensation to be paid therefore, provided that these services are not rendered in the Insured's trust department.*

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

**A. INVESTMENT ADVISOR/INVESTMENT MANAGER**

1. Indicate the number of customers or accounts for which investment advice is provided outside of any Trust Department operated by the Applicant. \_\_\_\_\_

(a) What is the total value of the assets for which investment advice is provided? \_\_\_\_\_

(b) What is the value of the largest account? \_\_\_\_\_

(c) What are the total fees earned by this service? \_\_\_\_\_

2. Are services provided for:

	Yes	No
Individuals	<input type="checkbox"/>	<input type="checkbox"/>
Corporations	<input type="checkbox"/>	<input type="checkbox"/>
Charitable Institutions	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify):	<input type="checkbox"/>	<input type="checkbox"/>

3. Are there established criteria for identifying individual customers for whom investment advisory services will be provided (e.g., income level, net worth)? Yes ☐ No ☐

4. Do customers complete a questionnaire or other written document which clearly identifies and states the customer's investment objectives? Yes ☐ No ☐

5. Does the Applicant recommend investments areas other than commonly traded securities? Yes ☐ No ☐  
If "Yes," please describe the specialty area, state its percentage of total investment assets, objectives of investment, and geographic location if applicable, by addendum.

6. (a) Is this service rendered under a contract? Yes ☐ No ☐

(b) If 6(a) is "Yes," please answer the following:

(1) Are all contracts approved by counsel? Yes ☐ No ☐

(2) Do all contracts provide indemnity and/or limitations to the Applicant's liability? Yes ☐ No ☐

(c) If 6(a), (b)(1) or (b)(2) are "No," please describe by addendum how the Applicant protects itself from liabilities.

7. Please describe professional qualifications of individuals involved in the provision of this service.

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**B. FINANCIAL AND/OR ECONOMIC ADVISOR**

1. Does the Applicant have an economic forecasting department? Yes ☐ No ☐

If "Yes," please describe the qualifications of its principal managers and/or officers: \_\_\_\_\_

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2. How many projects involving economic or financial advice did this department conduct for a fee last year?

\_\_\_\_\_

What was the total fee income generated from these activities during the year? \_\_\_\_\_

3. Please describe, by addendum, the types of financial and economic advisory projects performed for commercial clients.

4. (a) Is this service rendered under a contract? Yes ☐ No ☐

(b) If 4(a) is "Yes," please answer the following:

(1) Are all contracts approved by counsel? Yes ☐ No ☐

(2) Do all contracts provide indemnity and/or limitations to the Applicant's liability? Yes ☐ No ☐

(c) If 4(a), (b)(1) or (b)(2) are "No," please describe by addendum how the Applicant protects itself from liabilities.

5. Please describe professional qualifications of individuals involved in the provision of this service.

\_\_\_\_\_  
\_\_\_\_\_

**Section 17. Acting as a consumer financial planner to individuals.**

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. Indicate the number of financial plans completed in the past 12 months outside of any Trust Department operated by the Applicant. \_\_\_\_\_

2. Do all financial planners have professional certifications such as CFP, CFA or equivalent training and experience? Yes ☐ No ☐

3. Does the Applicant purchase financial planning services from an outside firm? Yes ☐ No ☐

If "Yes," do the principals of the firm have professional certifications such as CFP, CFA or equivalent training and experience? Yes ☐ No ☐

4. Does the Applicant utilize a purchased computerized planning model? Yes ☐ No ☐

If "Yes," indicate the vendor of the computer model utilized and the model's name: \_\_\_\_\_

5. Please describe any auditing procedures associated with this service: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

6. (a) Is this service rendered under a contract? Yes ☐ No ☐

(b) If 6(a) is "Yes," please answer the following:

(1) Are all contracts approved by counsel? Yes ☐ No ☐

(2) Do all contracts provide indemnity and/or limitations to the Applicant's liability? Yes ☐ No ☐

(c) If 6(a), (b)(1) or (b)(2) are "No," please describe by addendum how the Applicant protects itself from liabilities.

**Section 18. Acting as a wire transfer agent.**Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. Please provide the following information about the Applicant's wire transfer services:

Number of Customers:	
Average Daily Volume:	\$
Typical Highest Dollar Amount:	\$
Typical Average Dollar Amount:	\$

2. Does the Wire Transfer Department maintain customer authorization records which list the individuals in a customer's firm who are approved for wire transfer along with the amounts authorized? Yes ☐ No ☐
3. Does the Wire Transfer Department utilize tape recorded conversation verification procedures? Yes ☐ No ☐
4. Does the Wire Transfer Department utilize second person call-back verification procedures? Yes ☐ No ☐
5. Does the Applicant set internal wire transfer authorization levels? Yes ☐ No ☐

**Section 19. Accounting, net asset valuation or transfer services for mutual funds that are Open-End Investment Companies as registered with the Securities and Exchange Commission under the Investment Company Act of 1940.** Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. Indicate the number of mutual funds that are open-end investment companies as defined by the Investment Company Act of 1940 for which services are provided outside of any Trust Department operated by the Applicant. \_\_\_\_\_

(a) What is the total market value of the assets of these funds? \_\_\_\_\_

(b) What is the value of the assets in the largest fund? \_\_\_\_\_

(c) What is the asset value in all funds invested outside of North America? \_\_\_\_\_

2. Which of the following services does the Applicant provide?

	Yes	No
Accounting	<input type="checkbox"/>	<input type="checkbox"/>
Valuation	<input type="checkbox"/>	<input type="checkbox"/>
Transfer Services	<input type="checkbox"/>	<input type="checkbox"/>
Custody of Securities	<input type="checkbox"/>	<input type="checkbox"/>

3. Does the Applicant staff a separate servicing unit for Mutual Funds? Yes
- ☐
- No
- ☐

If "No," please identify what servicing units the specified services listed above are provided from:

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4. Please describe, by addendum, any auditing procedures associated with these services.

5. (a) Is this service rendered under a contract? Yes
- ☐
- No
- ☐

(b) If 5(a) is "Yes," please answer the following:

(1) Are all contracts approved by counsel? Yes ☐ No ☐(2) Do all contracts provide indemnity and/or limitations to the Applicant's liability? Yes ☐ No ☐

(c) If 5(a), (b)(1) or (b)(2) are "No," please describe by addendum how the Applicant protects itself from liabilities.

**Section 20. Acting as a notary public.**

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. Indicate which of the following services are provided:

	Yes	No
Services only for Applicant customers	<input type="checkbox"/>	<input type="checkbox"/>
Services for the public	<input type="checkbox"/>	<input type="checkbox"/>

2. Does the Applicant have policies or procedures which govern the action of their notaries? Yes ☐ No ☐

3. Is this service provided in Canada? Yes ☐ No ☐

**Section 21. Acting as a real estate broker or agent or real estate appraiser and/or managing real or personal property for others (other than Real Estate Investment Trust Management).**

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. Please indicate the functions performed and volume/income:

(a) Broker or Agent: Yes ☐ No ☐

If "Yes," provide the following information for the last year:

	Number of Properties Sold	Total Value	Total Commissions
Commercial		\$	\$
Residential		\$	\$
Other (please specify):		\$	\$
<b>Totals</b>		\$	\$

Number of employees who are licensed as brokers/agents: \_\_\_\_\_

(b) Real Estate Appraiser: Yes ☐ No ☐

If "Yes," provide the following information for the last year:

	Number of Appraisals	Fee Income
Commercial		\$
Residential		\$
Other (please specify):		\$
<b>Totals</b>		\$

Number of employees acting as real estate appraisers: \_\_\_\_\_

(1) Are all real estate appraisers required to obtain professional certification and belong to professional associations for appraisers? Yes ☐ No ☐



If "Yes," indicate the certifications and professional associations: \_\_\_\_\_

(c) Real Estate Manager: Yes ☐ No ☐

If "Yes," provide the following:

	Number of Properties Managed	Estimated Total Value	Management Fees
Commercial		\$	\$
Residential		\$	\$
Other(please specify):		\$	\$
<b>Totals</b>		\$	\$

- (1) Do sales contracts and/or property management contracts provide indemnity and/or limitations as to the Applicant's liability? Yes ☐ No ☐

If "No," please explain policies and procedures: \_\_\_\_\_

- (2) Does the Applicant require a hazardous waste survey before accepting appointment as manager of properties? Yes ☐ No ☐

If "No," please explain policies and procedures: \_\_\_\_\_

- (3) Does the Applicant have policies and procedures for its management of properties? Yes ☐ No ☐

If "Yes," are there specific guidelines regarding the maintenance of insurance on managed properties?  
Yes ☐ No ☐

**Section 22.** *Acting as an insurance agent or broker, or otherwise rendering advice or recommendations regarding insurance.*

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. Indicate the types of insurance which the Applicant currently offers and the volume of each line during the last twelve (12) months:

Type	Yes	No	12 Month Volume	Income
Credit Life	<input type="checkbox"/>	<input type="checkbox"/>		\$
Marine	<input type="checkbox"/>	<input type="checkbox"/>		\$
Aviation	<input type="checkbox"/>	<input type="checkbox"/>		\$
Other Life	<input type="checkbox"/>	<input type="checkbox"/>		\$
Property and Casualty	<input type="checkbox"/>	<input type="checkbox"/>		\$
Health and Disability	<input type="checkbox"/>	<input type="checkbox"/>		\$
Other(please specify):	<input type="checkbox"/>	<input type="checkbox"/>		\$

2. Does the Applicant solicit business only from Applicant customers? Yes ☐ No ☐

If "No," please describe the Applicant's marketing strategies, e.g., direct mail, advertising, etc. by addendum.

3. How many officers or employees are licensed to sell insurance? \_\_\_\_\_

4. How many locations sell insurance? \_\_\_\_\_

5. Is any underwriting authority maintained within these operations? Yes ☐ No ☐

If "Yes," please describe by addendum the product line and authority.

6. Identify by addendum insurance companies and their Best's Ratings which the Applicant transacts business with as brokers/agents.

**Section 23. Sale of travelers checks, certified checks or money orders.**

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. For the last twelve (12) months provide the volume sold in:

Certified Checks	\$
Money Orders	\$

2. Do procedures require that collected funds be verified before sale of certified checks, money orders, or travelers checks? Yes ☐ No ☐

If "No," please describe procedure: \_\_\_\_\_

**Section 24. The administration or sale of credit cards or credit card services.**

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. If the Applicant sells credit cards through other entities, list the type of entity, number of accounts, and average outstanding balance during the last 12 months for each type of entity:

Type of Entity	Number of Accounts	Average Balance
Correspondent Bank		\$
Merchant		\$
Other Commercial		\$
Affinity Groups		\$
Other(please specify):		\$
<b>Total</b>		\$

2. Indicate the types of credit card services the Applicant sells and the revenue from the sale of these services in the last twelve (12) months:

Credit Scoring	Yes <input type="checkbox"/> No <input type="checkbox"/>	Credit Approval	Yes <input type="checkbox"/> No <input type="checkbox"/>
Card Issuance	Yes <input type="checkbox"/> No <input type="checkbox"/>	Accounting	Yes <input type="checkbox"/> No <input type="checkbox"/>
Collection	Yes <input type="checkbox"/> No <input type="checkbox"/>	Other (please specify):	Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Total annual revenues from sale of services: \_\_\_\_\_

3. Do other firms provide the Applicant with any of the services listed in Question 2 above? Yes ☐ No ☐

If "Yes," please indicate, by addendum, the service and firm.

(a) Are these services provided through a contractual agreement? Yes ☐ No ☐

If "Yes," provide a copy of the contract.

4. Please describe, by addendum, any auditing procedure associated with these services.

5. (a) Is this service rendered under a contract? Yes ☐ No ☐

(b) If 5(a) is "Yes," please answer the following:

(1) Are all contracts approved by counsel? Yes ☐ No ☐

(2) Do all contracts provide indemnity and/or limitations to the Applicant's liability? Yes ☐ No ☐

(c) If 5(a), (b)(1) or (b)(2) are "No," please describe by addendum how the Applicant protects itself from liabilities.

**Section 25. The administration or lease of lockboxes.**

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. How many lockbox customers does the Applicant have? \_\_\_\_\_

2. What are the total fees earned from this service annually? \_\_\_\_\_

3. Does the Applicant have a formal program to monitor the following:

	Yes	No
Volume	<input type="checkbox"/>	<input type="checkbox"/>
Error Rate	<input type="checkbox"/>	<input type="checkbox"/>
Processing Time	<input type="checkbox"/>	<input type="checkbox"/>

(a) If the Applicant does not have a formal program, indicate how these items are monitored: \_\_\_\_\_

4. Does the Lockbox Department maintain customer authorization records which list individuals the customer's business who are authorized to perform lockbox transactions along with the amounts authorized?

Yes ☐ No ☐

5. Does the Applicant prohibit commercial loan officers from unilaterally controlling funds in a customer's lockbox? Yes ☐ No ☐

6. (a) Is this service rendered under a contract? Yes ☐ No ☐

(b) If 6(a) is "Yes," please answer the following:

(1) Are all contracts approved by counsel? Yes ☐ No ☐

(2) Do all contracts provide indemnity and/or limitations to the Applicant's liability? Yes ☐ No ☐

(c) If 6(a), (b)(1) or (b)(2) are "No," please describe by addendum how the Applicant protects itself from liabilities.

**Section 26.** *Electronic data processing services, data collection services or acting as a custodian for database or sensitive information stored electronically.*

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. Indicate the types of business services provided, and the annual income from each type:

Type	Yes	No	Annual Fees
Accounting	<input type="checkbox"/>	<input type="checkbox"/>	\$
Payroll	<input type="checkbox"/>	<input type="checkbox"/>	\$
Accounts Payable/Receivable	<input type="checkbox"/>	<input type="checkbox"/>	\$
Cost/Gen. Acct.	<input type="checkbox"/>	<input type="checkbox"/>	\$
Management Rep.	<input type="checkbox"/>	<input type="checkbox"/>	\$
Other*	<input type="checkbox"/>	<input type="checkbox"/>	\$
<b>Total Fees</b>	<input type="checkbox"/>	<input type="checkbox"/>	\$

\*If Other, please describe by addendum.

2. Indicate the types of data services provided and percentage of data processing revenue derived from each:

Type	Yes	No	% of Revenue
Data Storage	<input type="checkbox"/>	<input type="checkbox"/>	%
Data Entry	<input type="checkbox"/>	<input type="checkbox"/>	%
Data Collection	<input type="checkbox"/>	<input type="checkbox"/>	%
Data Processing	<input type="checkbox"/>	<input type="checkbox"/>	%
Other*	<input type="checkbox"/>	<input type="checkbox"/>	%

\*If Other, please describe by addendum.

3. Does the Applicant have a comprehensive disaster recovery plan? Yes ☐ No ☐

If "Yes," please indicate the name of the offsite center.

If "No," please indicate by addendum the procedures in place for disaster.

4. Does the Applicant have a specialized EDP audit staff? Yes ☐ No ☐

If "Yes," are they required to obtain the Certified Information Systems Auditor designation? Yes ☐ No ☐

5. Do clients have responsibility for determining the accuracy of results? Yes ☐ No ☐

6. (a) Is this service rendered under a contract? Yes ☐ No ☐

(b) If 6(a) is "Yes," please answer the following:

(1) Are all contracts approved by counsel? Yes ☐ No ☐

(2) Do all contracts provide indemnity and/or limitations to the Applicant's liability? Yes ☐ No ☐

(c) If 6(a), (b)(1) or (b)(2) are "No," please describe by addendum how the Applicant protects itself from liabilities.

**Section 27. Specified Other Professional Service not listed above.**

Coverage Requested? Yes ☐ No ☐

Please complete this Section if applying for coverage for this professional service.

1. Please describe in detail the professional service for which coverage is desired:

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2. Original year Applicant established the service described in question #1. \_\_\_\_\_

3. List annual gross receipts and number of clients associated with the service described above.

Receipts: \$ \_\_\_\_\_ Clients: \_\_\_\_\_

4. (a) Number of employees engaged in providing the service described above: \_\_\_\_\_

(b) Please describe their professional training or qualifications: \_\_\_\_\_

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5. Please describe any auditing procedures associated with the service described above: \_\_\_\_\_

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6. (a) Is this service rendered under a contract? Yes ☐ No ☐

(b) If 6(a) is "Yes," please answer the following:

(1) Are all contracts approved by counsel? Yes ☐ No ☐

(2) Do all contracts provide indemnity and/or limitations to the Applicant's liability? Yes ☐ No ☐

(c) If 6(a), (b)(1) or (b)(2) are "No," please describe by addendum how the Applicant protects itself from liabilities.

This endorsement, effective at 12:01 AM

forms a part of

Policy number

Issued to:

By:

**COVERAGE SECTION ANTI-STACKING ENDORSEMENT  
(ALL COVERAGE SECTIONS)**

In consideration of the premium charged, it is hereby understood and agreed that, if a **Claim** is subject to two or more limits of liability, whether such limits of liability are **Separate Limits of Liability, Shared Limits of Liability** or a combination of both, only the highest such limit of liability shall apply, which limit of liability shall apply to all **Loss** arising out of such **Claim**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE

This endorsement, effective at 12:01 AM

forms a part of

Policy number

Issued to:

By:

**TWO YEAR POLICY PERIOD ENDORSEMENT  
(ALL COVERAGE SECTIONS)**

In consideration of the premium charged, it is hereby understood and agreed that, with respect to all Coverage Sections, the policy is amended as follows:

1. Items 3 and 4 of the Declarations are hereby amended to provide for the following premium amounts:

TOTAL PREMIUM			
	<b>TWO YEAR INSTALLMENTS FOR ALL COVERAGES COMBINED</b> (payable each anniversary subject to this endorsement):	1 <sup>st</sup> Year: \$XXX + \$XXX [State Abbrev] Surcharge (if applicable) inception	
		2 <sup>nd</sup> Year: \$XXX + \$XXX [State Abbrev] Surcharge (if applicable)	
	<b>COVERAGE SECTIONS</b>	<b>FIRST YEAR</b>	<b>SECOND YEAR</b>
	<b>D&amp;O and Private Company</b>	\$ D&O Premium or "Coverage Section Not Purchased"	\$ D&O Premium or "Coverage Section Not Purchased"
	<b>Employment Practices</b>	\$ EPL Premium or "Coverage Section Not Purchased"	\$ EPL Premium or "Coverage Section Not Purchased"
	<b>Fiduciary</b>	\$ FLI Premium or "Coverage Section Not Purchased"	\$ FLI Premium or "Coverage Section Not Purchased"
	<b>Bankers Professional</b>	\$ BPL Premium or "Coverage Section Not Purchased"	\$ BPL Premium or "Coverage Section Not Purchased"
	<b>Insurance Company</b>	\$ ICL Premium or "Coverage Section Not Purchased"	\$ ICL Premium or "Coverage Section Not Purchased"
	<b>AIG netAdvantage® Security &amp; Privacy</b>	\$ Net Advantage Premium or "Coverage Section Not Purchased"	\$ Net Advantage Premium or "Coverage Section Not Purchased"

	<b>Employed Lawyers</b>	\$ Employed Lawyers Premium or "Coverage Section Not Purchased"	\$ Employed Lawyers Premium or "Coverage Section Not Purchased"
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2. Clause 2. **DEFINITIONS** of the General Terms and Conditions is amended to include the following definition at the end of that Clause:

(jj) **"Policy Year"** means a period of one year, within the **Policy Period**, commencing each year on the day and hour first named in Item 2. of the Declarations, or if the time between the effective date or anniversary and termination of the Policy is less than one year, then such lesser period.

3. Clause 5. **AGGREGATE LIMIT OF LIABILITY (FOR ALL LOSS UNDER THIS POLICY COMBINED – INCLUDING DEFENSE COSTS)** of the General Terms and Conditions is deleted in its entirety and replaced with the following:

**AGGREGATE LIMIT OF LIABILITY (FOR ALL LOSS UNDER THIS POLICY COMBINED – INCLUDING DEFENSE COSTS)**

**A. Policy Aggregate Limit of Liability**

The **Policy Aggregate Limit of Liability** stated in Item 5(a) of the Declarations is the maximum limit of the **Insurer's** liability for all **Loss** under all **Coverage Sections** combined, arising out of all **Claims** first made against the **Insureds** during the **Policy Period** or the **Discovery Period** (if applicable); provided, however, the **Policy Aggregate Limit of Liability** for the **Discovery Period** shall be part of, and not in addition to, the aggregate limit of liability for the **Policy Year** in which the **Discovery Period** is elected, as such limits are set forth below. Further, a **Claim** which is made subsequent to a **Policy Year** or **Discovery Period** (if applicable) which pursuant to Clause 7(b) or 7(c) is considered made during the **Policy Year** or **Discovery Period**, shall also be subject to the one applicable Aggregate Limit of Liability, as such limits are set forth below.

The maximum limit of the **Insurer's** liability for all **Loss** under all **Coverage Sections** combined, arising out of all **Claims** first made against the **Insureds** during the first **Policy Year** ("**Year One Aggregate Limit of Liability**") shall be xxxxxxxx. The **Year One Aggregate Limit of Liability** shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability**.

The maximum limit of the **Insurer's** liability for all **Loss** under all **Coverage Sections** combined, arising out of all **Claims** first made against the **Insureds** during the second **Policy Year** ("**Year Two Aggregate Limit of Liability**") shall be xxxxxxxx.



The **Year Two Aggregate Limit of Liability** shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability**.

**Defense Costs** are not payable by the Insurer in addition to the **Policy Aggregate Limit of Liability**, and the applicable **Year One Aggregate Limit of Liability** and **Year Two Aggregate Limit of Liability**. **Defense Costs** are part of **Loss** and as such are subject to the **Policy Aggregate Limit of Liability for Loss**, and the applicable **Year One Aggregate Limit of Liability** and **Year Two Aggregate Limit of Liability**. Amounts incurred for **Defense Costs** shall be applied against the **Retention amount**.

#### **B. Separate Limit of Liability**

If **Separate Limits of Liability** are stated in Item 3 of the Declarations, then each such **Separate Limit of Liability** shall be the maximum limit of the **Insurer's** liability for all **Loss** arising out of all **Claims** first made against the **Insureds** during the **Policy Period** or the **Discovery Period** (if applicable) with respect to the applicable **Coverage Section** as stated on the Declarations; provided, however, the **Separate Limit of Liability** for the **Discovery Period** shall be part of, and not in addition to, the **Separate Limit of Liability** for the **Policy Year** in which the **Discovery Period** is elected, as such limits are set forth below. Further, a **Claim** which is made subsequent to the **Policy Period** or **Discovery Period** (if applicable) which pursuant to Clause 7(b) or 7(c) is considered made during the **Policy Year** or **Discovery Period**, shall also be subject to the one applicable **Separate Limit of Liability**, as such limits are set forth below.

The **Separate Limits of Liability** shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** for all **Loss** under this policy as stated in Item 5(a) of the Declarations and shall in no way serve to increase the **Policy Aggregate Limit of Liability** as therein stated

If **Separate Limits of Liability** are stated in Item 3 of the Declarations, then for each such **Separate Limit of Liability** the maximum limit of the **Insurer's** liability for all **Loss** arising out of all **Claims** first made against the **Insureds** during the first **Policy Year** shall be fifty percent of the amount stated in the Declarations for each **Coverage Section** that is subject to a **Separate Limit of Liability** ("**Year One Separate Limits of Liability**"). The **Year One Separate Limits of Liability** shall be part of, and not in addition to, the **Year One Aggregate Limit of Liability** and the **Policy Aggregate Limit of Liability** as stated in Item 5(a) of the Declarations, and shall in no way serve to increase the **Insurer's** limit of liability as therein stated.

If **Separate Limits of Liability** are stated in Item 3 of the Declarations, then for each such **Separate Limit of Liability** the maximum limit of the **Insurer's** liability for all **Loss** arising out of all **Claims** first made against the **Insureds** during the second **Policy Year** shall be fifty percent of the amount stated in the Declarations for each **Coverage Section** that is subject to a **Separate Limit of Liability** ("**Year Two Separate Limits of Liability**"). The **Year Two Separate Limits of Liability** shall be

part of, and not in addition to, the **Year Two Aggregate Limit of Liability** and the **Policy Aggregate Limit of Liability** as stated in Item 5(a) of the Declarations, and shall in no way serve to increase the **Insurer's** limit of liability as therein stated.

**Defense Costs** are not payable by the Insurer in addition to the **Separate Limit of Liability**, and the applicable **Year One Separate Limit of Liability** and **Year Two Separate Limit of Liability**. **Defense Costs** are part of **Loss** and as such are subject to the **Separate Limit of Liability for Loss**, and the applicable **Year One Separate Limit of Liability** and **Year Two Separate Limit of Liability**. Amounts incurred for **Defense Costs** shall be applied against the **Retention** amount.

### C. Shared Limits of Liability

If **Shared Limits of Liability** are stated in Item 3 of the Declarations, then each such **Shared Limit of Liability** shall be the maximum limit of the **Insurer's** liability for all **Loss** arising out of all **Claims** first made against the **Insureds** during the **Policy Period** or the **Discovery Period** (if applicable) with respect to the applicable **Coverage Section** as stated on the Declarations; provided, however, the **Shared Limit of Liability** for the **Discovery Period** shall be part of, and not in addition to, the **Shared Limit of Liability** for the **Policy Year** in which the **Discovery Period** is elected, as such limits are set forth below. Further, a **Claim** which is made subsequent to the **Policy Period** or **Discovery Period** (if applicable) which pursuant to **Clause 7(b)** or **7(c)** is considered made during the **Policy Year** or **Discovery Period**, shall also be subject to the one applicable **Shared Limit of Liability**, as such limits are set forth below.

The **Shared Limits of Liability** shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** for all **Loss** under this policy as stated in Item 5(a) of the Declarations and shall in no way serve to increase the **Policy Aggregate Limit of Liability** as therein stated.

If **Shared Limits of Liability** are stated in Item 3 of the Declarations, then for each such **Shared Limit of Liability** the maximum limit of the **Insurer's** liability for all **Loss** arising out of all **Claims** first made against the **Insureds** during the first **Policy Year** shall be fifty percent of the amount stated in the Declarations for each **Coverage Section** that is subject to a **Separate Limit of Liability** ("**Year One Shared Limits of Liability**"). The **Year One Shared Limits of Liability** shall be part of, and not in addition to, the **Year One Aggregate Limit of Liability** and the **Policy Aggregate Limit of Liability** as stated in Item 5(a) of the Declarations, and shall in no way serve to increase the **Insurer's** limit of liability as therein stated.

If **Shared Limits of Liability** are stated in Item 3 of the Declarations, then for each such **Shared Limit of Liability** the maximum limit of the **Insurer's** liability for all **Loss** arising out of all **Claims** first made against the **Insureds** during the second **Policy Year** shall be fifty percent of the amount stated in the Declarations for each **Coverage Section** that is subject to a **Separate Limit of Liability** ("**Year Two Shared**

**Limits of Liability**"). The **Year Two Shared Limits of Liability** shall be part of, and not in addition to, the **Year Two Aggregate Limit of Liability** and the **Policy Aggregate Limit of Liability** as stated in Item 5(a) of the Declarations, and shall in no way serve to increase the **Insurer's** limit of liability as therein stated.

**Defense Costs** are not payable by the Insurer in addition to the **Shared Limit of Liability**, and the applicable **Year One Shared Limit of Liability** and **Year Two Shared Limit of Liability**. **Defense Costs** are part of **Loss** and as such are subject to the **Shared Limit of Liability for Loss**, and the applicable **Year One Shared Limit of Liability** and **Year Two Shared Limit of Liability**. Amounts incurred for **Defense Costs** shall be applied against the **Retention** amount.

#### **D. Sublimits of Liability**

If Sub-limits of Liability are stated in Item 5 of the Declarations or in any endorsement made a part of this policy, then each such Sub-limit of Liability shall be the maximum limit of the **Insurer's** liability for all **Loss** arising out of all **Claims** first made against the **Insureds** during the **Policy Period** or the **Discovery Period** (if applicable) with respect to the applicable coverage as stated on the Declarations; provided, however, the Sub-limit of Liability for the **Discovery Period** shall be part of, and not in addition to, the Sub-limit of Liability for the **Policy Year** in which the **Discovery Period** is elected, as such limits are set forth below. Further, a **Claim** which is made subsequent to the **Policy Period** or **Discovery Period** (if applicable) which pursuant to Clause 7(b) or 7(c) is considered made during the **Policy Year** or **Discovery Period**, shall also be subject to the one applicable Sub-limit of Liability, as such limits are set forth below.

If Sub-limits of Liability are stated in Item 5 of the Declarations or in any endorsement made a part of this policy, then for each such Sub-limit of Liability the maximum limit of the **Insurer's** liability for all **Loss** arising out of all **Claims** first made against the **Insureds** during the first **Policy Year** shall be fifty percent of the amount stated in the Declarations for each coverage that is subject to a Sub-limit of Liability ("**Year One Sub-limit of Liability**"). The **Year One Sub-limit of Liability** shall be part of, and not in addition to, the **Year One Aggregate Limit of Liability**, the **Policy Aggregate Limit of Liability** and any **Year One Separate Limit of Liability** or **Year One Shared Limit of Liability**, and shall in no way serve to increase the **Insurer's** limit of liability as therein stated.

If Sub-limits of Liability are stated in Item 5 of the Declarations or in any endorsement made a part of this policy, then for each such Sub-limit of Liability the maximum limit of the **Insurer's** liability for all **Loss** arising out of all **Claims** first made against the **Insureds** during the second **Policy Year** shall be fifty percent of the amount stated in the Declarations for each coverage that is subject to a Sub-limit of Liability ("**Year Two Sub-Limit of Liability**"). The **Year Two Sub-limit of Liability** shall be part of, and not in addition to, the **Year Two Aggregate Limit of Liability**, the **Policy Aggregate Limit of Liability** and any **Year Two Separate Limit of**

**Liability or Year Two Shared Limit of Liability**, and shall in no way serve to increase the **Insurer's** limit of liability as therein stated.

**Defense Costs** are not payable by the **Insurer** in addition to the **Sub-Limit of Liability**, and the applicable **Year One Sub-Limit of Liability** and **Year Two Sub-Limit of Liability**. **Defense Costs** are part of **Loss** and as such are subject to the **Sub-Limit of Liability for Loss**, and the applicable **Year One Sub-Limit of Liability** and **Year Two Sub-Limit of Liability**. Amounts incurred for **Defense Costs** shall be applied against the **Retention** amount.

4. The Clause within each Coverage Section entitled **DEFENSE COSTS, SETTLEMENTS, JUDGMENTS (INCLUDING THE ADVANCEMENT OF DEFENSE COSTS)** or **DEFENSE COSTS, SETTLEMENTS AND JUDGMENTS (INCLUDING ADVANCEMENT OF DEFENSE COSTS)** or **DEFENSE COSTS, CHARGES AND EXPENSES** or **DEFENSE AGREEMENT** or **COVERAGE C: DEFENSE COSTS, CHARGES AND EXPENSES (INSURING AGREEMENTS)** is amended to add the following paragraph to the end of each such Clause:

However, the **Insurer** shall not be obligated to defend such **Claim** after any applicable limit of liability has been exhausted, or after an **Insured's** rejection of a **Settlement Opportunity** (as defined within this Coverage Section), if applicable.

5. Clause 7. **NOTICE/CLAIM REPORTING PROVISIONS** of the General Terms and Conditions is amended as follows:

(a) subparagraph 7(a) is deleted in its entirety and replaced with the following:

(a) The **Company** or the **Insureds** shall, as a condition precedent to the obligations of the **Insurer** under this policy, give written notice to the **Insurer** of any **Claim** made against an **Insured** or an **Employment Crisis** (as defined in the EPL Coverage Section) as soon as practicable and either:

(1) anytime during the **Policy Year** or during the **Discovery Period** (if applicable);  
or

(2) within forty-five (45) days after the end of the **Policy Year** or the **Discovery Period** (if applicable), as long as such **Claim** was first made against an **Insured** within the final thirty (30) days of the **Policy Year** or the **Discovery Period** (if applicable).

(c) subparagraph 7(c) is deleted in its entirety and replaced with the following:

(c) If during the **Policy Year** or **Discovery Period** (if applicable), the **Company** or the **Insureds** shall become aware of any circumstances which may reasonably be expected to give rise to a **Claim** being made against the **Insureds** and shall give written notice to the **Insurer** of the circumstances and the reasons for anticipating such a **Claim**, with full particulars as to dates, persons and entities

involved, then any **Claim** which is subsequently made against the **Insureds** and reported to the **Insurer** alleging, arising out of, based upon or attributable to such circumstances or alleging any **Related Wrongful Act** to such circumstances, shall be considered made at the time such notice of such circumstances was given.

6. The last sentence of the second paragraph in Clause 9. **CANCELLATION CLAUSE** of the General Terms and Conditions is deleted in its entirety and replaced with the following:

The **Insurer** shall have the right to the premium amount for the portion of the **Policy Year** during which the policy was in effect.

7. The fourth paragraph of Clause 12. **OTHER INSURANCE** of the General Terms and Conditions is deleted in its entirety and replaced with the following:

Further, in the event other insurance is provided to the **Outside Entity** or leasing company referenced in the above paragraph, or is provided under any pension trust or employee benefit plan fiduciary liability insurance policy, and such other insurance is provided by the **Insurer** or any member company of American International Group, Inc. (AIG) (or would be provided but for the application of the retention amount, exhaustion of the limit of liability or failure to submit a notice of a **Claim**), then the **Insurer's** maximum aggregate limit of liability for all **Loss** combined in connection with a **Claim** covered, in part or in whole, by this policy and such other insurance policy issued by AIG, shall not exceed the greater of any applicable limit of liability of this policy or the limit of liability of such other AIG insurance policy.

8. The **GENERAL TERMS AND CONDITIONS** is amended to include the following paragraph at the end thereof:

#### **TY-1. PREMIUM**

If a premium amount is provided for in item 6(a) of the Declarations, as set forth in paragraph 1. of this endorsement, payment of such premium amounts shall be remitted as follows:

(a) the first year installment shall be remitted within thirty (30) days of the inception date of this policy;

(b) the second year installment shall be remitted within thirty (30) days of the inception of the second **Policy Year**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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**AUTHORIZED REPRESENTATIVE**

## APPENDIX DO PUB-1

### I. DEFINITIONS

(a) "**Crisis**" means:

(1) a **Delisting Crisis**; and

(2) one of the following events which, in the good faith opinion of the Chief Financial Officer of a **Company** did cause or is reasonably likely to cause a "**Material Effect on a Company's Common Stock Price**":

(i) *Negative earnings or sales announcement*

The public announcement of a **Company's** past or future earnings or sales, which is substantially less favorable than any of the following: (i) a **Company's** prior year's earnings or sales for the same period; (ii) a **Company's** prior public statements or projections regarding earnings or sales for such period; or (iii) an outside securities analyst's published estimate of a **Company's** earnings or sales.

(ii) *Loss of a patent, trademark or copyright or major customer or contract*

The public announcement of an unforeseen loss of: (i) a **Company's** intellectual property rights for a patent, trademark or copyright, other than by expiration; (ii) a major customer or client of a **Company**; or (iii) a major contract with a **Company**.

(iii) *Product recall or delay*

The public announcement of the recall of a major product of a **Company** or the unforeseen delay in the production of a major product of a **Company**.

(iv) *Mass tort*

The public announcement or accusation that a **Company** has caused the bodily injury, sickness, disease, death or emotional distress of a group of persons, or damage to or destruction of any tangible group of properties, including the loss of use thereof.

(v) *Employee layoffs or loss of key executive officer(s)*

The public announcement of layoffs of **Employees** of a **Company**. The death or resignation of one or more key **Directors or Officers** of the **Named Entity**.

(vi) *Elimination or suspension of dividend*

The public announcement of the elimination or suspension of a regularly scheduled dividend previously being paid by a **Company**.

(vii) *Write-off of assets*

The public announcement that a **Company** intends to write off a material amount of its assets.

(viii) *Debt restructuring or default*

The public announcement that a **Company** has defaulted or intends to default on its debt or intends to engage in a debt restructuring.

(ix) *Bankruptcy*

The public announcement that a **Company** intends to file for bankruptcy protection or that a third party is seeking to file for involuntary bankruptcy on behalf of a **Company**; or that bankruptcy proceedings are imminent, whether voluntary or involuntary.

(x) *Governmental or regulatory litigation*

The public announcement of the commencement or threat of commencement of litigation or governmental or regulatory proceedings against a **Company**.

(xi) *Unsolicited takeover bid*

An unsolicited written offer or bid by any person or entity other than an **Insured** or any **Affiliate**, whether publicly announced or privately made to a **Director or Officer** of a **Company**, to effect a **Transaction** (as defined in Clause 10 of the General Terms and Conditions) of the **Named Entity**.

A **Crisis** shall first commence when a **Company** or any of its **Directors or Officers** shall first become aware of such **Crisis**. A **Crisis** shall conclude once a **Crisis Firm** advises a **Company** that such **Crisis** no longer exists or when the **CrisisFund**<sup>®</sup> has been exhausted.

(b) "**Crisis Firm**" means any public relations firm, crisis management firm or law firm as listed in section III of this Appendix DO PUB-1. Any "**Crisis Firm**" may be hired by a **Company** to perform **Crisis Services** without further approval by the **Insurer**.

(c) "**Crisis Loss**" means the following amounts incurred during the pendency of a **Crisis** for which a **Company** is legally liable:

- (1) the reasonable and necessary fees and expenses incurred by a **Crisis Firm** in the performance of **Crisis Services** for a **Company**;
- (2) the reasonable and necessary fees and expenses incurred in the printing, advertising or mailing of materials; and

- (3) travel costs incurred by **Directors of Officers**, employees or agents of a **Company** or of the **Crisis Firm**, arising from or in connection with the **Crisis**.
- (d) "**Crisis Services**" means those services performed by a **Crisis Firm** in advising an **Insured** or any **Employee** of a **Company** on minimizing potential harm to a **Company** from the **Crisis** (including but not limited to maintaining and restoring investor confidence in a **Company**), and solely with respect to **Delisting Crisis Loss**, any legal services performed by a **Crisis Firm** in responding to a **Delisting Crisis**.
- (e) "**Delisting Crisis**" means written notice to a **Company** that such **Company's** securities will be or have been delisted from an **Exchange** at the initiation of such **Exchange**.
- (f) "**Exchange**" means NASDAQ, the American Stock Exchange, the New York Stock Exchange and the Singapore Exchange.
- (g) "**Material Effect on a Company's Common Stock Price**" means, within a period of 24 hours, that the price per share of a **Company's** common stock shall decrease by the greater of \$2.00, or 15% net of the percentage change in the Standard & Poor's Composite Index.

## **II. EXCLUSIONS**

The term **Crisis** shall not include any event relating to:

- (i) any **Claim** which has been reported, or any circumstances of which notice has been given, under any policy of which this policy is a renewal or replacement or which it may succeed in time;
- (ii) the actual, alleged or threatened discharge, dispersal, release or escape of **Pollutants**; or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**; provided, however, the foregoing shall not apply if the policy contains any provision or endorsement modifying or deleting, in part or in whole, exclusion (g) of the D&O Coverage Section; or
- (iii) the hazardous properties of nuclear materials; provided, however, the foregoing shall not apply to any **Crisis** arising from the ownership of, operation of, construction of, management of, planning of, maintenance of or investment in any nuclear facility.



### III. PRE-APPROVED CRISIS FIRMS

(a) For all **Crises** (including a **Delisting Crisis**), **Crisis Firm(s)** means any public relations firm listed in (1) – (7) below:

- |   |   |
|---|---|
| <p>(1) ABERNATHY MACGREGOR<br/>SCANLON<br/>501 Madison Avenue<br/>New York, NY 10022<br/>(212) 371-5999<br/>Contact: James T. MacGregor</p> | <p>(5) ROBINSON LERER &amp; MONTGOMERY<br/>75 Rockefeller Plaza , 6<sup>th</sup> floor<br/>New York, NY 10019<br/>(212) 484-7721<br/>Contact: Michael Gross</p> |
| <p>(2) BURSON-MARSTELLER<br/>230 Park Avenue South<br/>New York, NY 10003-1566<br/>(212) 614-5236<br/>Contact: Michael Claes</p>            | <p>(6) SARD VERBINNEN &amp; CO.<br/>630 Third Avenue<br/>New York, NY 10017<br/>(212) 687-8080<br/>Contact: Paul Verbinnen or George Sard</p>                   |
| <p>(3) PATTON BOGGS, LLP<br/>2550 M Street, N.W.<br/>Washington, D.C., 20037<br/>(202) 457-6000<br/>Contact: Thomas H. Boggs</p>            | <p>(7) SITRICK &amp; COMPANY<br/>2029 Century Park East<br/>Suite 1750<br/>Los Angeles, CA 90067<br/>(310) 788-2850<br/>Contact: Michael Sitrick</p>            |
| <p>(4) KEKST AND COMPANY<br/>437 Madison Avenue<br/>New York, NY 10022<br/>(212) 593-2655<br/>Contact: Andrew Baer</p>                      |   |

(b) Solely for **Delisting Crises**, "**Crisis Firm(s)**" shall also include any **Panel Counsel Firm** (as defined in Clause 8 of the D&O Coverage Section) approved to handle **Securities Claims**.

This endorsement, effective at 12:01 AM

forms a part of

Policy number

Issued to:

By:

**BANKRUPTCY/INSOLVENCY/CREDITORS EXCLUSION  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that, with respect to the D&O Coverage Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured**:

- (1) alleging, arising out of, based upon, attributable to, or in any way involving, directly or indirectly:
  - (i) any **Wrongful Act** which is alleged to have led to or caused, directly or indirectly, wholly or in part, the bankruptcy or insolvency of the **Company** or any **Insured**, or to the **Company** filing a petition, or a petition being filed against the **Company**, pursuant to the federal Bankruptcy Code or any similar state law, or the **Company** assigning its assets for the benefit of its creditors; or
  - (ii) the **Company** or any **Insured** having sustained a financial loss due, directly or indirectly, wholly or in part, to a **Wrongful Act** of the **Insured(s)**, but only if such **Claim** is made after the **Company** or any **Insured** has been determined to be insolvent, or has filed a petition for bankruptcy, or a petition has been filed against it, or the **Company** or any **Insured** has assigned its assets for the benefit of its creditors; or
- (2) brought by or on the behalf of any creditor or debt-holder of the **Company**, or any **Insured**, or arising out of any liability (whether alleged or actual) to pay or collect accounts, including but not limited to **Claims** alleging misrepresentation in connection with the extension of credit or purchase of a debt instrument, or **Claims** alleging any deterioration in the value of the debt as a result of (wholly or in part) the bankruptcy or insolvency of the **Company** or any **Insured**.
- (3) in any bankruptcy proceeding by or against the **Company**, when such **Claim** is brought by the examiner, trustee, receiver, creditors' committee, trust, liquidator or rehabilitator (or any assignee thereof) of such **Company**.

It is further understood and agreed that Clause 4. **EXCLUSIONS** of the D&O Coverage Section is amended by deleting subparagraph (3) of Exclusion (i).

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE

This endorsement, effective at 12:01 AM

forms a part of

Policy number

Issued to:

By:

**BANKRUPTCY TRUSTEE, RECEIVER, LIQUIDATOR  
OR REHABILITATOR EXCLUSION  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that, with respect to the D&O Coverage Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured** in any bankruptcy proceeding by or against a **Company**, when such **Claim** is brought by the examiner, trustee, receiver, liquidator or rehabilitator (or any assignee thereof) of such **Company**.

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This endorsement, effective at 12:01 AM

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Issued to:

By:

**COMMISSIONS EXCLUSION  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that, with respect to the D&O Coverage Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon, or attributable to:

- (i) payments, commissions, gratuities, benefits or any other favors to or for the benefit of any full or part-time domestic or foreign government or armed services officials, agents, representatives, employees or any members of their family or any entity with which they are affiliated; or
- (ii) payments, commissions, gratuities, benefits or any other favors to or for the benefit of any full or part-time officials, directors, agents, partners, representatives, principal shareholders, or owners or employees, or "**Affiliates**" (as that term is defined in The Securities Exchange Act of 1934, including any officers, directors, agents, owners, partners, representatives, principal shareholders or employees of such **Affiliates**) of any customers of the **Company** or any members of their family or any entity with which they are affiliated; or
- (iii) political contributions, whether domestic or foreign.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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Policy number

Issued to:

By:

**FAILURE TO EFFECT AND/OR MAINTAIN INSURANCE (DEFENSE COSTS CARVE-  
BACK) EXCLUSION  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that, with respect to the D&O Coverage Section, the **Insurer** shall not be liable for any **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon, attributable to or in any way, directly or indirectly, relating to any failure or omission on the part of the **Insureds** or the **Company** to effect or maintain adequate insurance; provided, however, solely with respect to **Directors or Officers**, this exclusion shall not apply to covered **Defense Costs** incurred in connection with a **Claim** alleging a **Wrongful Act**.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED

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Issued to:

By:

**FAILURE TO EFFECT AND/OR MAINTAIN INSURANCE EXCLUSION  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that, with respect to the D&O Coverage Section, the **Insurer** shall not be liable for any **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon, attributable to or in any way, directly or indirectly, relating to any failure or omission on the part of the **Insureds** or the **Company** to effect or maintain adequate insurance.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

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This endorsement, effective at 12:01 AM

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Issued to:

By:

**KNOWN WRONGFUL ACT EXCLUSION  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that, with respect to the D&O Coverage Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured** alleging any **Wrongful Act** occurring prior to \_\_\_\_\_ if any **Insured** knew or could have reasonably foreseen that such **Wrongful Act** could lead to a **Claim** under this policy. **Loss(es)** arising out of the same or **Related Wrongful Act(s)** shall be deemed to arise from the first such same or **Related Wrongful Act**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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forms a part of

Policy number

Issued to:

By:

**LOANS EXCLUSION  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that, with respect to the D&O Coverage Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim**, including but not limited to any **Claim** made by an **Insured**, or by one or more security holders of the **Company** (whether derivatively or by class action) against any **Insured** alleging, arising out of, based upon or attributable to:

1. Loan losses, including without limitation, non-accrual or renegotiated loans and loans in excess of the **Company's** lending limits;
2. Lending policies, practices, procedures, or documentation, or failure to follow such policies, practices, or procedures or properly document loans;
3. Assets subject to adverse classification, special mention, or otherwise criticized by any federal, or state bank regulatory authority, or classified by the **Company**;
4. Failure to set any appropriate **Loss** reserve or provision for loan losses or failure to properly categorize loans as non-accruing;

including **Claims** alleging **Wrongful Acts** which occurred prior to the date of such loan, lending policy, practice or documentation, assets classification or criticism, or setting of a loan reserve or loan categorization. However, this exclusion shall only apply to **Wrongful Acts** occurring on or after .

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Issued to:

By:

**MAJOR SHAREHOLDER EXCLUSION  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that with respect to the D&O Coverage Section, the **Insurer** shall not be liable for any **Loss** in connection with any **Claim** against any **Insured** which is made by any individual(s) or entity/ies that own or control (whether legally or beneficially, directly or indirectly)

% or more of the outstanding voting stock of the **Company** (hereinafter "**Major Shareholder**"); or by any security holder of the **Company** whether directly or derivatively, unless such security holder's **Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or active participation of or intervention of any **Major Shareholder**.

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Issued to:

By:

**PANEL COUNSEL FIRM LIST AMENDED  
(SECURITIES PANEL)  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that Appendix DO-1 of Clause 8. PRE-AUTHORIZED SECURITIES DEFENSE ATTORNEYS of the D&O Coverage Section is hereby amended to include the following law firm(s) but solely with regard to a **Securities Claim** in its (their) respective jurisdiction(s) listed below:

LAW FIRM

JURISDICTION

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\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

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Issued to:

By:

**PENDING AND PRIOR LITIGATION AND KNOWN WRONGFUL ACTS EXCLUSION  
FOR EXCESS LIMITS  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that solely with respect to \$            excess of \$            of the **Separate Limit of Liability** stated in Item 3 of the Declarations for the D&O Coverage Section, the **Insurer** shall not be liable for any **Loss** in connection with any **Claim** made against any **Insured**:

- (a) alleging, arising out of, based upon or attributable to, as of           , any pending or prior: (1) litigation; (2) administrative or regulatory proceeding or investigation of which an Insured had notice, or alleging any **Wrongful Act** which is the same or **Related Wrongful Act** to that alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation.
- (b) alleging any **Wrongful Act** occurring prior to            if the Insured knew or could have reasonably foreseen that such **Wrongful Act** could lead to a **Claim** under the limit of liability \$            excess of \$           .

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Policy number

Issued to:

By:

**PENDING AND PRIOR LITIGATION EXCLUSION FOR EXCESS LIMITS  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that solely with respect to the \$            excess of the first \$            of the **Separate Limit of Liability** stated in the Item 3 of the Declarations for the D&O Coverage Section, the **Insurer** shall not be liable for any **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, as of           , any pending or prior: (1) litigation; (2) administrative or regulatory proceeding or investigation of which an Insured had notice, or alleging any **Wrongful Act** which is the same or **Related Wrongful Act** to that alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation.

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Issued to:

By:

**PRIOR ACTS EXCLUSION  
(BACKDATED)  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that, with respect to the D&O Coverage Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** for any **Wrongful Act** which occurred prior to or after the end of the **Policy Period**. This **Coverage Section** only provides coverage for **Loss** arising from **Claim(s)** for an actual or alleged **Wrongful Act(s)** occurring on or after and prior to the end of the **Policy Period** and otherwise covered by this **Coverage Section**. **Loss(es)** arising out of the same or **Related Wrongful Act(s)** shall be deemed to arise from the first such same or **Related Wrongful Act**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSION REMAIN UNCHANGED.

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This endorsement, effective at 12:01 AM

forms a part of

Policy number

Issued to:

By:

**PRIOR ACTS EXCLUSION  
FOR EXCESS COVERAGE  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that, solely with respect to the \$[Enter Excess Limit Amount] in excess of \$[Enter Primary Limit Amount] of the **Separate Limit of Liability** stated in the Item 3 of the Declarations for the D&O Coverage Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against an **Insured** alleging any **Wrongful Act** occurring prior to [Enter Date]. The \$[Enter Excess Limit Amount] in excess of \$[Enter Primary Limit Amount] of the **Separate Limit of Liability** stated in the Item 3 of the Declarations only provides coverage for **Wrongful Acts** occurring on or after [Enter Date] and prior to the end of the **Policy Period** and otherwise covered by the D&O Coverage Section. **Loss** arising out of the same or **Related Wrongful Act(s)** shall be deemed to arise from the first such same or **Related Wrongful Act**.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

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This endorsement, effective at 12:01 AM

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Issued to:

By:

**PROFESSIONAL ERRORS & OMISSIONS EXCLUSION  
(WITH SECURITIES CLAIM CARVE-OUT)  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that Clause 3. EXCLUSIONS of the D&O Coverage Section, paragraph (h) is deleted in its entirety and replaced with the following:

- (h) alleging, arising out of, based upon or attributable to any **Insured(s)**' performance of or failure to perform professional services for others for a fee, or any act(s), error(s) or omission(s) relating thereto; provided that this exclusion shall not apply to any **Securities Claim**; or

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Policy number

Issued to:

By:

**CAPTIVE INSURANCE COMPANY EXCLUSION  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that, with respect to the D&O Coverage Section, the **Insurer** shall not be liable to make any payments for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to the ownership, management, maintenance and/or control by the **Company** of any captive insurance company or entity, including but not limited to any **Claim** alleging the insolvency or bankruptcy of the **Company** as a result of such ownership, operation, management and control.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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Policy number

Issued to:

By:

**COMMISSIONS EXCLUSION  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that, with respect to the D&O Coverage Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon, or attributable to:

- (i) payments, commissions, gratuities, benefits or any other favors to or for the benefit of any full or part-time domestic or foreign government or armed services officials, agents, representatives, employees or any members of their family or any entity with which they are affiliated; or
- (ii) payments, commissions, gratuities, benefits or any other favors to or for the benefit of any full or part-time officials, directors, agents, partners, representatives, principal shareholders, or owners or employees, or "affiliates" (as that term is defined in The Securities Exchange Act of 1934, including any officers, directors, agents, owners, partners, representatives, principal shareholders or employees of such affiliates) of any customers of the **Company** or any members of their family or any entity with which they are affiliated; or
- (iii) political contributions, whether domestic or foreign.

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This endorsement, effective at 12:01 AM

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Policy number

Issued to:

By:

**CONTINGENCY FEES EXCLUSION  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that, with respect to the D&O Coverage Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, any allegations that any **Insured** intentionally or negligently permitted, or aided or abetted others in using, was aware of others using, or was a participant or connected in any way in the use of an agreement or other arrangement between an insurance broker or insurance agent and an insurance carrier involving the payment of increased fees, commissions or other compensation based on the volume, profitability or type of business referred to the insurance carrier, whether referred to as a Market Placement Agreement, Market Service Agreement, Placement Services Agreement or Contingent Commission Agreement or similar agreement or arrangement, however named.

This policy shall exclude such **Loss** regardless of the form, style, or denomination of any such **Claim**, regardless of whether the **Claim** is criminal, administrative or civil, and shall specifically apply but not be limited to **Claims** alleging bid rigging, bribes or kickbacks, schemes to provide fictitious quotes, conflict of interest, breach of contract, failure to supervise, negligent supervision or negligence of any contract, controlling person liability, breach of fiduciary duty, personal profiting, improper, undisclosed or unlawful fees, commissions or charges of any kind, criminal activity, market manipulation, violation of any law related to the insurance industry, misrepresentation, estoppel or repudiation of any commitment and any other theory of liability.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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This endorsement, effective at 12:01 AM

forms a part of

Policy number

Issued to:

By:

**SECURITIZATION ENDORSEMENT  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

1. Definition (h) "**Wrongful Act**" in the D&O Coverage Section is amended by including the following to the end thereof:

Notwithstanding the above, with respect to **Directors** or **Officers** of the **Company** as defined in definition (i)(1) of the General Terms and Conditions, "**Wrongful Act**" also means any breach of duty, neglect, error, misstatement, misleading statement, omission or act by such **Director** or **Officer** in their respective capacities as such with respect to a **Securitization Vehicle**.

2. Solely for purposes of this endorsement, the following definition is added to the D&O Coverage Section:

**"Securitization Vehicle"** means any entity formed, operated and managed by the **Company** solely for the purpose of pooling and securitizing residential mortgage loans; provided that the **Company** provides indemnification to **Directors** or **Officers** of the **Company** for their activities related to **Securitization Vehicles** in the same manner as is provided to such **Directors** or **Officers** for their activities not related to **Securitization Vehicles**.

An entity ceases to be a **Securitization Vehicle** when it is no longer operated and managed solely by the **Named Entity** or its **Subsidiaries**.

3. Coverage as provided by this endorsement shall not apply to any **Securitization Vehicle** or to any individual(s) engaged in activities related thereto other than **Directors** or **Officers** of the **Company** as defined in definition (i)(1) of the General Terms and Conditions.

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Policy number

Issued to:

By:

**SEVERABILITY OF THE APPLICATION ENDORSEMENT (FULL INDIVIDUAL SEVERABILITY;  
TOP 3 COMPANY POSITIONS IMPUTED TO COMPANY; NON-RESCINDABLE)  
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that Clause 7. Representations and Severability, in the D&O Coverage Section, is deleted in its entirety and replaced with the following:

**7. SEVERABILITY**

In granting coverage under this **Coverage Section**, it is agreed that the **Insurer** has relied upon the statements, warranties and representations contained in the application for this policy (including materials submitted thereto and, if this is a renewal application, all such previous policy applications for which this policy is a renewal) as being accurate and complete. All such statements, warranties and representations are the basis for this **Coverage Section** and are to be considered as incorporated into this **Coverage Section**.

With respect to any statements, warranties and representations contained in the application, and solely with respect to the issue of whether coverage shall be afforded under this endorsement pursuant to subparagraphs (1), (2) and (3) below, no knowledge possessed by an **Individual Insured** shall be imputed to any other **Individual Insured**. However, in the event that any of the statements, warranties or representations is not accurately and completely disclosed in the application, no coverage shall be afforded for any **Claim** alleging, arising out of, based upon, attributable to or in consequence of the subject matter of any incomplete or inaccurate statements, warranties or representations under:

- (1) Clause 1., Insuring Agreements, Coverage A, with respect to any **Individual Insured** who knew of such inaccurate or incomplete statements, warranties or representations;
- (2) Clause 1., Insuring Agreements, Coverage B(ii), with respect to any **Company** to the extent it indemnifies any **Individual Insured** referenced in (1), above; and
- (3) Clause 1., Insuring Agreements, Coverage B(i), with respect to any **Company** if any past or present chief executive officer, chief financial officer or general counsel(or any equivalent position) of the **Named Entity** knew of such inaccurate or incomplete statements, warranties or representation,

whether or not such **Individual Insured** knew that such facts were not accurately and completely disclosed in the application.

The **Insurer** shall not be entitled under any circumstances to rescind coverage under the policy with respect to any **Insured**, but such coverage will be subject to all other terms, conditions and exclusions of the policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE

This endorsement, effective at 12:01 AM

forms a part of

Policy number

Issued to:

By:

**THIRD PARTY COVERAGE AMENDED WITH REDLINING EXCLUSION  
(DISCRIMINATION AND CONTINUITY DATE)  
(EPL COVERAGE SECTION)**

In consideration of the additional premium of \$\_\_\_\_, it is hereby understood and agreed that the EPL Coverage Section is amended as follows:

1. Clause 2. DEFINITIONS, paragraph (i) **"Wrongful Act,"** is amended by deleting in its entirety the final paragraph thereof, and replacing it with the following:

With respect to any customer or client of the **Company**, whether individually or as a class or group, **Wrongful Act** shall mean only any actual or alleged discrimination, sexual harassment or violation of an individual's civil rights relating to such discrimination or sexual harassment, whether direct, indirect, intentional or unintentional.

2. The following definition shall be added to Clause 2. DEFINITIONS of the EPL Coverage Section:

**"Redlining Claim"** means any **Claim** alleging, arising out of, based upon or attributable to a pattern or practice of discrimination by the **Insured**:

- (1) in refusing to make a loan, lending and/or financing for dwellings, or extending credit;
- (2) in the denial of originating, in refusing the renewal of, or in canceling, any policy of insurance, reinsurance, bonds or indemnity, including but not limited to, annuities, endowments, pension contracts and risk management self-insurance programs, pools or similar programs (hereinafter collectively referred to as **"Insurance Contract"**);
- (3) in refusing or failing to pay, or in delaying the payment of, benefits due or alleged to have been due under any **Insurance Contract**; or
- (4) for any lack of good faith or fair dealing in the handling of any claim or obligation arising out of or under any **Insurance Contract**;

on the basis of race, marital status, national origin, age, religion, disability, receipt of public assistance, or postal zip codes, regardless of the applicant's credit record, with respect to persons or properties in specified geographic areas, including but not limited to any actual or alleged violations of any federal or state law or regulation such as the Fair Housing Act and the Equal Credit Opportunity Act.

3. The following exclusion shall be added to Clause 3. EXCLUSIONS of the EPL Coverage Section:

alleging, arising out of, based upon or attributable to, directly or indirectly, any **Redlining Claim**.

4. Notwithstanding the **Continuity Date** specified in Item 3 of the Declarations, the **Continuity Date** applicable to **Third Party Employment Practices Claims** shall be \_\_\_\_\_.

For the purposes of this endorsement, the term "**Third Party Employment Practices Claims**" means, with respect to any customer or client of the **Company**, whether individually or as a class or group, a **Claim** alleging, arising from, based upon or attributable to, directly or indirectly, any actual or alleged discrimination, sexual harassment or violation of an individual's civil rights relating to such discrimination or sexual harassment, whether direct, indirect, intentional or unintentional.

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Issued to:

By:

**THIRD PARTY COVERAGE DELETED  
(EPL COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that in Clause 2. DEFINITIONS of the EPL Coverage Section, paragraph (i) "**Wrongful Act**" is amended by deleting in its entirety the final paragraph thereof, which reads as follows:

With respect to any customer or client of the **Company**, whether individually or as a class or group, **Wrongful Act** shall mean only any actual or alleged sexual harassment or violation of an individual's civil rights relating to such sexual harassment, whether direct, indirect, intentional or unintentional.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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forms a part of

Policy number

Issued to:

By:

**FAILURE TO EFFECT AND/OR MAINTAIN INSURANCE (DEFENSE COSTS CARVE-  
BACK) EXCLUSION  
(FLI COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that, with respect to the FLI Coverage Section, the **Insurer** shall not be liable for any **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon, attributable to or in any way, directly or indirectly, relating to any failure or omission on the part of the **Insureds** or the **Company** to effect or maintain adequate insurance; provided, however, solely with respect to **Directors or Officers**, this exclusion shall not apply to covered **Defense Costs** incurred in connection with a **Claim** alleging a **Wrongful Act**.

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Issued to:

By:

**FAILURE TO EFFECT AND/OR MAINTAIN INSURANCE EXCLUSION  
(FLI COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that, with respect to the FLI Coverage Section, the **Insurer** shall not be liable for any **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon, attributable to or in any way, directly or indirectly, relating to any failure or omission on the part of the **Insureds** or the **Company** to effect or maintain adequate insurance.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

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forms a part of

Policy number

Issued to:

By:

**INSURANCE BROKER/AGENT ENDORSEMENT  
(BPL COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that, with respect to the BPL Coverage Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured**:

- A) alleging, arising out of, based upon or attributable to, directly or indirectly, the insolvency, receivership, bankruptcy, liquidation or financial inability to pay of any insurance company;
- B) alleging, arising out of, based upon or attributable to, directly or indirectly, the commingling of funds or accounts, nor to any **Claim** for sums received by any **Insured** or credited to any Insured's account, nor to any **Claim** for fees, premiums, taxes, commissions or brokerage monies;
- C)
  - (1) brought by or on behalf of any insurance company or its successors or assigns arising out of such business for which any **Insured** was a **Managing General Agent** of such insurance company;
  - (2) arising out of, alleging, or in any way involving, directly or indirectly, any actual or alleged refusal or intentional failure to pay or intentional delay in paying all or part of benefits due or alleged to have been due under any insurance contract or from any benefit plan;
  - (3) arising out of, alleging, or in any way involving, directly or indirectly, a lack of good faith or fair dealing in the handling of any **Claim** or obligation arising out of or under any insurance contract or from any benefit plan;
  - (4) arising out of, alleging, or in any way involving, directly or indirectly, a failure to effect and/or maintain in effect any reinsurance;
  - (5) arising out of, alleging, or in any way involving, directly or indirectly, premium finance activities.

As used herein, "**Managing General Agent**" means one who acts as an agent of an insurance company and whose authority goes beyond those of an ordinary insurance agent to include authority to manage all or part of the insurance business of such insurance company. Such authority may include, but is not limited to, the management of a

separate division, department or underwriting office, sub-line or class of business, whether or not limited geographically, whether or not having authority to appoint sub-agents or accept sub-production business, and whether or not having authority to cede or assume reinsurance on behalf of such insurance company.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE

This endorsement, effective at 12:01 AM

forms a part of

Policy number

Issued to:

By:

**INVESTOR PROTECTION ENDORSEMENT  
(BPL COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed, with respect to the BPL Coverage Section, that:

1. Clause 3., EXCLUSIONS, is hereby amended to include the following exclusion:

The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against a **High Risk Registered Representative** or any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, any **Wrongful Acts** of a **High Risk Registered Representative**.

2. Clause 2. DEFINITIONS, is hereby amended to include the following:

**"High Risk Registered Representative"** means any **Registered Representative** who, within the three years immediately preceding (i) the inception date of the **Policy Period** or (ii) each **Registered Representative's** date of hire, whichever occurs later, has:

- (i) had three or more **Triggering Events**; or
- (ii) been fined, penalized, barred, censured or suspended by any Self-Regulatory Organization (as defined in the Securities Exchange Act of 1934), including the NASD and NYSE, the SEC or any foreign equivalent of the foregoing.

**"Professional Services,"** for purposes of this endorsement, means acting as a securities broker/dealer for the account of others.

**"Registered Representative"** means an individual who is registered with the National Association of Securities Dealers, Inc., including a registered principal, and who for compensation engages in the business of rendering **Professional Services** on behalf of [REDACTED].

**"Triggering Event"** means any of the following events if required to be disclosed on a Form U-4:

- (i) any arbitration or civil action or proceeding,

- (ii) any regulatory investigation or action,
  - (iii) any criminal event, including, but not limited to any convictions, pleas or charges; or
  - (iv) any settlement of \$5,000 or greater.
3. The definition of **"Insured"** shall be amended to include the following at the end thereof:
- "Insured"** shall not mean and this policy shall not cover any **High Risk Registered Representative**.
4. Upon the request of the **Named Entity** listed in Item 1 of the Declarations, the **Insurer** may, in its absolute discretion, and pursuant to such terms, conditions, exclusions, and additional premium as the **Insurer** may reasonably decide, offer to limit the application of the exclusion in this endorsement. If such offer is made and accepted by the **Named Entity**, an endorsement reflecting such exception will be added to the policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE

This endorsement, effective at 12:01 AM

forms a part of

Policy number

Issued to:

By:

**LENDING ACT EXTENSION WITH SEPARATE RETENTION  
(BPL COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that the BPL Coverage Section is amended as follows:

I.

Clause 1., INSURING AGREEMENTS, is amended by addition of the following at the end thereof:

This policy shall pay the **Loss** of each and every **Insured** arising from a **Claim** first made against such **Insured** during the **Policy Period** or **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this policy for any **Wrongful Act** of the **Insured** in the rendering of or failure to render **Lending Acts**. The **Insurer** shall, in accordance with Clause 4 of this **Coverage Section**, advance **Defense Costs** of **Lending Acts Claims** prior to its final disposition.

II.

Clause 3., EXCLUSIONS (g), is deleted in its entirety and replaced with the following:

(g) alleging, arising out of, based upon or attributable to, directly or indirectly, any pattern or practice of discrimination by the **Insured** in refusing to make a loan, lending and/or financing for dwellings, or extending credit on the basis of race, marital status, national origin, age, religion, disability, receipt of public assistance, or postal zip codes, regardless of the applicant's credit record, with respect to persons or properties in specified geographic areas, including, but not limited to, any actual or alleged violations of the Fair Housing Act, the Equal Credit Opportunity Act, any regulations pursuant thereto, or any similar state law or regulation;

III.

Clause 2., DEFINITIONS, is amended by addition of the following at the end thereof:

**"Classified Loan"** shall mean:

(i) any loan, or transaction in the nature of a loan or extension of credit, which at the time a **Claim** is made, or which at any time prior to the time such **Claim** is made, is or has been designated as substandard, doubtful or loss by any applicable state and/or federal regulatory or supervisory agency or authority; or

(ii) any false or genuine note, account, agreement, invoice, or other evidence of debt assigned or sold, discounted or otherwise acquired, whether or not involving the **Company** as lender or borrower, and whether procured in good faith or through fraud, artifice or false pretense, which at the time such **Claim** is made, or which at any time prior to the time a **Claim** is made, is or has been designated as substandard, doubtful or loss by any applicable state and/or federal regulatory or supervisory agency or authority.

**"Past Due Loan"** shall mean:

(i) any loan, or any transaction in the nature of a loan or extension of credit, which at the time a **Claim** is made, or which at any time prior to the time such **Claim** is made, is or has been more than ninety (90) days delinquent in repayment according to its terms; or

(ii) any false or genuine note, account, agreement, invoice, or other evidence of debt assigned or sold, discounted or otherwise acquired, whether or not involving the **Company** as lender or borrower, and whether procured in good faith or through fraud, artifice or false pretense, which at the time a **Claim** is made, or which at any time prior to the time such **Claim** is made, is or has been more than ninety (90) days delinquent in repayment according to its terms.

#### IV.

The following exclusions shall only apply with respect to any **Insured's** performance of **Lending Acts**.

The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured**:

for the principal and/or interest of any unrepaid, unrecoverable or outstanding credit; provided, however, this exclusion shall not apply to such principal and/or interest if:

1. the **Insured** is legally liable for a borrower's financial losses relating, directly or indirectly, to actions taken by the **Insured** with respect to such extension of credit; and
2. principal and/or interest is part of the overall damages awarded to the borrower.

alleging, arising out of, based upon or attributable to, directly or indirectly, any extension of credit which was, at the time of its making, in excess of the legal lending limit of the **Company**; however, this exclusion shall not apply to **Claims** which fail to allege that damages were incurred as a direct result of the **Company's** conduct of exceeding its legal lending limit;



alleging, arising out of, based upon or attributable to, directly or indirectly, any in fact willful violation of laws or regulations relating to extensions or denials of credit, including, but not limited to, truth-in-lending or usury laws or regulations when established through final adjudication the **Insured** willfully and intentionally violated such laws or regulations;

alleging, arising out of, based upon or attributable to, directly or indirectly, any **Past Due Loans** or **Classified Loans** as of \_\_\_\_\_.

V.

Furthermore, it is understood and agreed that, solely with respect to **Claims** arising out of **Lending Acts**, and notwithstanding any Retention amount specified in Item 3 of the Declarations, the applicable Retention amount is \$ \_\_\_\_\_.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE

This endorsement, effective at 12:01 AM

forms a part of

Policy number

Issued to:

By:

**LOAN SERVICING OWNED BY THE INSURED ENDORSEMENT  
(BPL COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that coverage under the BPL Coverage Section for **Loan Servicing** as set forth in Professional Service No. 13 in the Professional Services Endorsement shall include not only the servicing of loans for third-party clients of the **Insured**, but shall also be hereby extended to include the servicing of loans which are owned by the **Insured**; provided, however, that such coverage shall extend only to liability incurred by the **Insured** which arises from that portion of the loan which has already been repaid by the borrower (e.g., **Loss** attributable to the borrower's loss of an equity interest in a mortgaged home).

It is further understood and agreed that no coverage shall apply under this **Coverage Section** for **Loss** arising from the **Insured's** own first-party loss caused by **Wrongful Acts** committed in connection with **Loan Servicing** (e.g., **Loss** shall not include unpaid loan amounts on loans owned by the **Insured**).

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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This endorsement, effective at 12:01 AM

forms a part of

Policy number

Issued to:

By:

**PREDATORY LENDING EXCLUSION  
(BPL COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that, solely with respect to **Loss** as may have been otherwise covered under the BPL Coverage Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against an **Insured** alleging, arising out of, based upon or attributable to, predatory, abusive, unfair or deceptive mortgage lending practices ("**Predatory Lending**"), including but not limited to, the following:

1. **Equity Stripping and Fee Packing;**
2. **Loan Flipping;**
3. **Refinancing of Special Mortgages;**
4. **Encouraging of Default;**
5. Financing single premium credit life, disability or unemployment insurance;
6. Negative amortization, involving a payment schedule in which regular periodic payments cause the principal balance to increase;
7. Balloon payments in short term transactions;
8. Improper prepayment penalties;
9. Improper post-default interest rate increases;
10. Loans made despite the consumer's inability to repay;
11. Pricing terms that result in the loan's being subject to the provisions of the Home Ownership and Equity Protection Act, 15 U.S.C. 1639 et seq.
12. Original principal balance of the loan in excess of appraised value;
13. Payment schedules that consolidate more than two periodic payments and pay them in advance from the loan proceeds;
14. Payments to home improvement contractors under a home improvement contract from the proceeds of a residential mortgage loan other than by an instrument payable to the consumer, jointly to the consumer and the contractor, or through an independent third party escrow agent.

For the purpose of this endorsement, the following definitions shall apply:

1. "**Equity Stripping and Fee Packing**" means repeat refinancings where a borrower's equity is depleted as a result of financing excessive fees for a loan or ancillary products.
2. "**Loan Flipping**" means repeat refinancings under circumstances where the relative terms of a new and refinanced loan and the cost of the new loan do not provide a tangible economic benefit to the borrower.

3. **"Refinancing of Special Mortgages"** means refinancing of a special subsidized mortgage that contains terms favorable to the borrower, with a loan that does not provide a tangible economic benefit to the borrower relative to the refinanced loan.
4. **"Encouragement of Default"** means encouraging a borrower to breach a contract and default on an existing loan prior to and in connection with the consummation of a loan that refinances all or part of the existing loan.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE

## ENDORSEMENT

This endorsement, effective \_\_\_\_\_ at \_\_\_\_\_

forms part of \_\_\_\_\_

Policy no.: \_\_\_\_\_ issued to: \_\_\_\_\_

By: \_\_\_\_\_

## ARKANSAS AMENDATORY ENDORSEMENT

Wherever used in this endorsement: 1) "Insurer" means the insurance company which issued this policy; and 2) "First Named Insured", and "Insured" mean the Named Corporation, Named Organization, Named Entity, Named Sponsor, Named Insured, or Insured stated in the declarations page; and 3) "Other Insured(s)" means all other persons or entities afforded coverage under the policy.

The following is added and supercedes any provision to the contrary:

### A. CANCELLATION

If this policy has been in effect for more than sixty (60) days or is a renewal policy, the Insurer shall not cancel this policy unless such cancellation is based upon at least one (1) of the following reasons:

- (a) Nonpayment of premium;
- (b) Fraud or material misrepresentation made by or with the knowledge of the Insured or Other Insured(s) in obtaining the policy, continuing the policy or in presenting a claim under the policy;
- (c) The occurrence of material change in the risk which substantially increases any hazard insured against after policy issuance;
- (d) Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against under the policy;
- (e) Nonpayment of membership dues in those cases where the by-laws, agreements or other legal instruments of the Insurer issuing the policy require payment thereof as a condition of the issuance and maintenance of the policy; or
- (f) A material violation of a material provision of the policy.

The Insurer may cancel this policy by mailing or delivering written notice stating the reason for cancellation to the First Named Insured and any lienholder or loss payee named in the policy at least:

- a. Ten (10) days before the effective date of cancellation if cancellation is due to nonpayment of premium.
- b. Twenty (20) days before the effective date of cancellation if cancellation is due to any other reason.

If cancellation is due to nonpayment of premium, notice should state the reason for cancellation.

**B. NONRENEWAL**

If the Insurer decides not to renew the policy, the Insurer shall mail written notice to the First Named Insured shown in the Declarations at least sixty (60) days before:

- (a) its expiration date; or
- (b) its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.

However, the Insurer is not required to send this notice if nonrenewal is due to the Insured's failure to pay any premium required for renewal.

The Insurer will mail its notice to the First Named Insured's last known mailing address. If notice is mailed, proof of mailing will be sufficient proof of notice.

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AUTHORIZED REPRESENTATIVE

<i>SERFF Tracking Number:</i>	<i>AGNY-125447872</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>American International South Insurance</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
	<i>Company, ...</i>		
<i>Company Tracking Number:</i>	<i>AIC-08-MP-01</i>		
<i>TOI:</i>	<i>05.0 Commercial Multi-Peril - Liability &amp; Non-</i>	<i>Sub-TOI:</i>	<i>05.0000 CMP Sub-TOI Combinations</i>
	<i>Liability</i>		
<i>Product Name:</i>	<i>Financial Institutions Risk Protector</i>		
<i>Project Name/Number:</i>	<i>Financial Institutions Risk Protector/AIC-08-EO-01</i>		

## Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: AGNY-125447872 State: Arkansas  
First Filing Company: American International South Insurance State Tracking Number: EFT \$50  
Company, ...  
Company Tracking Number: AIC-08-MP-01  
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0000 CMP Sub-TOI Combinations  
Liability  
Product Name: Financial Institutions Risk Protector  
Project Name/Number: Financial Institutions Risk Protector/AIC-08-EO-01

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty  
**Review Status:** Approved 02/28/2008  
**Comments:**  
**Attachment:**  
Property & Casualty Transmittal Document - AR.pdf




## Property &amp; Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

<b>3. Group Name</b>					<b>Group NAIC #</b>
<b>4. Company Name(s)</b>	<b>Domicile</b>	<b>NAIC #</b>	<b>FEIN #</b>	<b>State #</b>	
American International South Insurance Company	PA	012-40258	02-6008643		
National Union Fire Insurance Company of Pittsburgh, Pa.	PA	012-19445	25-0687550		

<b>5. Company Tracking Number</b>	AIC-08-MP-01
-----------------------------------	--------------

## Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

<b>6. Name and address</b>	<b>Title</b>	<b>Telephone #s</b>	<b>FAX #</b>	<b>e-mail</b>
Monique Myers 175 Water Street, 17 <sup>th</sup> Floor New York, NY 10038	Filing Analyst	(212) 458-6346	(212) 458-7077	<a href="mailto:Monique.Myers@aig.com">Monique.Myers@aig.com</a>
<b>7. Signature of authorized filer</b>				
<b>8. Please print name of authorized filer</b>		Monique Myers		

## Filing information (see General Instructions for descriptions of these fields)

<b>9. Type of Insurance (TOI)</b>	5.0000 Commercial Multi-Peril
<b>10. Sub-Type of Insurance (Sub-TOI)</b>	05.0000 CMP Liability and Non-Liability
<b>11. State Specific Product code(s)(if applicable)[See State Specific Requirements]</b>	
<b>12. Company Program Title (Marketing title)</b>	Financial Institutions Risk Protector Program
<b>13. Filing Type</b>	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
<b>14. Effective Date(s) Requested</b>	New: March 10, 2008   Renewal: March 10, 2008
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>16. Reference Organization (if applicable)</b>	N/A
<b>17. Reference Organization # &amp; Title</b>	N/A
<b>18. Company's Date of Filing</b>	February 5, 2008
<b>19. Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

## Property & Casualty Transmittal Document—

20.	<b>This filing transmittal is part of Company Tracking #</b>	AIC-08-MP-01
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21.	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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The above-referenced companies have on file with your department their Financial Institutions Risk Protector. This program is being modified to add a D&O Coverage Section for public companies, along with a number of additional endorsements. As a result, changes are also being made to the Declarations Page, General Terms and Conditions, D&O Coverage Section for private companies and the Fiduciary Liability Coverage Section.

Please note that the State Amendatory Endorsements currently on file with your department will be used to bring the new coverage section in compliance with your state's regulations. This filing was previous filed under our filing number AIC-07-EO-02.

22.	<b>Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<p><b>Check #: EFT</b> <b>Amount: \$50.00</b></p> <p><b>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</b></p>	

\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

**FORM FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes forms)  
 (Do not refer to the body of the filing for the forms listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	AIC-08-MP-01			
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)				
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement Or withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	Declarations Page	93851 (8/07)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	93851 (12/06)	
02	General Term and Conditions	93852 (8/07)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	93852 (12/06)	
03	D&O Coverage Section (Private)	93853 (8/07)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	93853 (12/06)	
04	D&O Coverage Section (Public)	95368 (8/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	FLI Coverage Section	93856 (8/07)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	93856 (12/06)	
06	Application	93861 (1/08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	93861 (12/06)	
07	Bankers Professional Liability Supplemental Application	93862 (1/08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	93862 (12/06)	
08	Coverage Section Anti-Stacking Endorsement	95306 (8/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Two Year Policy Period Endorsement	95305 (8/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	Appendix Do Pub-1 (Crisis Management Insurance)	95367 (8/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

11	Bankruptcy/Insolvency/ Creditors Exclusion (D&O Coverage Section)	96624 (11/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
12	Bankruptcy Trustee, Receiver, Liquidator or Rehabilitator Exclusion (D&O Coverage Section)	96636 (11/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
13	Commissions Exclusions (D&O Coverage Section)	96635 (11/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
14	Failure To Effect And/Or Maintain Insurance (Defense Costs Carve-Back) Exclusion (D&O Coverage Section)	96633 (11/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
15	Failure To Effect And/Or Maintain Insurance Exclusion (D&O Coverage Section)	96634 (11/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
16	Known Wrongful Act Exclusion (D&O Coverage Section)	96632 (11/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
17	Loans Exclusion (D&O Coverage Section)	96625 (11/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
18	Major Shareholder Exclusion (D&O Coverage Section)	96631 (11/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
19	Panel Counsel Firm List Amended (Securities Panel) (D&O Coverage Section)	96626 (11/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
20	Pending and Prior Litigation and Known Wrongful Acts Exclusion For Excess Limits (D&O Coverage Section)	96630 (11/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
21	Pending and Prior Litigation Exclusion for Excess Limits (D&O Coverage Section)	96629 (11/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
22	Prior Acts Exclusion (Backdated) (D&O Coverage Section)	96628 (11/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
23	Prior Acts Exclusion For Excess Coverage (D&O Coverage Section)	96627 (11/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
24	Professional Errors & Omissions Exclusion (With Securities Claim	96623 (11/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

	Carve-Out) (D&O Coverage Section)				
25	Captive Insurance Company Exclusion	95299 (8/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
26	Commissions Exclusions	95302 (8/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
27	Contingency Fees Exclusion	95294 (8/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
28	Securitization Endorsement	95296 (8/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
29	Severability of the Application Endorsement (Full Individual Severability; Top 3 Company Positions Imputed To company; Non-Rescindable	95298 (8/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
30	Third Party Coverage Amended With Redlining Exclusion (Discrimination and Continuity Date)	96619 (11/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
31	Third Party Coverage Deleted	95295 (8/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
32	Failure to Effect And/Or Maintain Insurance (Defense Costs Carve-Back) Exclusion (FLI Coverage Section)	95301 (8/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
33	Failure to Effect And/Or Maintain Insurance Exclusion (FLI Coverage Section)	95300 (8/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
34	Insurance Broker/Agent Endorsement (BPL Coverage Section)	95304 (8/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
35	Investor Protection Endorsement (BPL Coverage Section)	95303 (8/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
36	Lending Act Extension With Separate Retention (BPL Coverage Section)	96620 (11/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
37	Loan Servicing Owned By The Insured Endorsement (BPL Coverage Section)	95296 (8/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
38	Predatory Lending Exclusion	95297 (8/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

39	Arkansas Cancellation/Non- Renewal Amendatory Endorsement	52131 (11/03)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
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